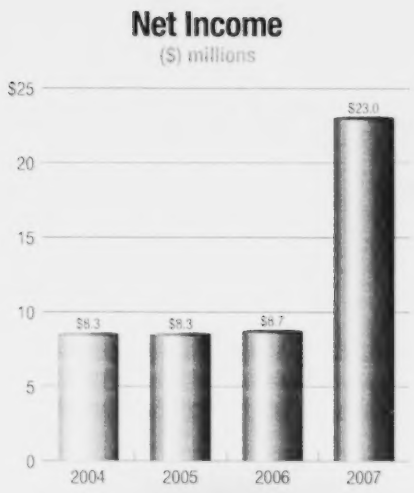
set the course

annual report
2007

Information Services Corporation
OF SASKATCHEWAN

Year at a Glance

- ISC benefited greatly from a unique environment in 2007, with the Saskatchewan real estate market in the midst of an unprecedented boom. This heightened activity resulted in a net income of $23.0 million.
- In the face of record volumes of transactions – a 20.4 per cent increase over 2006 – we met service targets thanks to the hard work of our dedicated employees and a keen focus on productivity improvements.
- Maintained an average turn-around time of 2.59 business days for land transactions, despite the volume increase.
- Commitment to pay a dividend of $8.0 million to stakeholder for the first time in ISC history.
- Paid off $13.0 million in short-term debt, leaving a long-term debt balance of $13.5 million.
- Pricing review in 2007 resulted in updated fees for a number of services, resulting in annual savings of $880,000 for ISC customers.
- The reduction in the value-based Surviving Joint Tenant fee to a low, flat fee lessens the burden associated with handling financial affairs following a death.
- Received a customer satisfaction rating of 95 per cent for 2007, compared to 90.9 per cent in 2006.
- Introduced employee recognition programs that include the Making a Difference Awards and ISCompliments to celebrate employee excellence.
- ISC proudly took over the Century Family Farm Award program in 2007, honouring 367 Saskatchewan families that have farmed the same land for 100 years or more.
- Introduced Map Search for customers to search all land records, plans and surface and mineral parcels in one interactive map, for free.
- The Mineral Mapping project mapped 92 per cent of rural quarter section mineral titles and linked them to the LAND system by the end of 2007.



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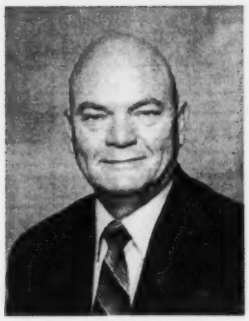
Regina, Saskatchewan
March 31, 2008

To His Honour
The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of the Province of Saskatchewan

May it please Your Honour:

I respectfully submit the Annual Report of Information Services Corporation of Saskatchewan for the year ended December 31, 2007, in accordance with *The Crown Corporations Act, 1993*. The financial statements are in the form approved by the Treasury Board, and duly certified by auditors for the Corporation.

Ken Cheveldayoff
Minister of Crown Corporations



As 2008 incoming Board Chair, I am pleased to join ISC at such an exciting time for the corporation. ISC benefited greatly from a unique environment in 2007, with the housing market in the midst of an unprecedented boom. This explosion certainly played a part in a very successful financial year for the corporation, but employees must also be recognized for their dedication in delivering exceptional customer service during this time.

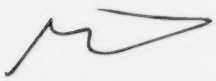
This high level of customer service is certainly demonstrated in the recent findings of an independent survey that reported a 95 per cent customer satisfaction rate in 2007. Clearly, the corporation is meeting the needs of its customers and ISC's achievements would have been impossible without the hard work of its people.

ISC has a very important goal to put people first, and the corporation has defined a people strategy that embraces talent management and performance management to attract, motivate and retain employees. ISC is fortunate to have some of Saskatchewan's best and brightest in the corporation and this concept will help recognize, retain and attract key talent in a very competitive job market – talent that is reflective of Saskatchewan's changing demographics.

I'd like to pay tribute to former President and CEO Mark MacLeod for his five-year tenure and to Scott Hodson for taking over the role in mid-2007. Mark was instrumental in putting ISC on track to become successful and winning strategies have been subsequently reinforced by Scott through his relentless customer focus. I would like to recognize them both for their dedication and good work, which has had a significant impact on the organization.

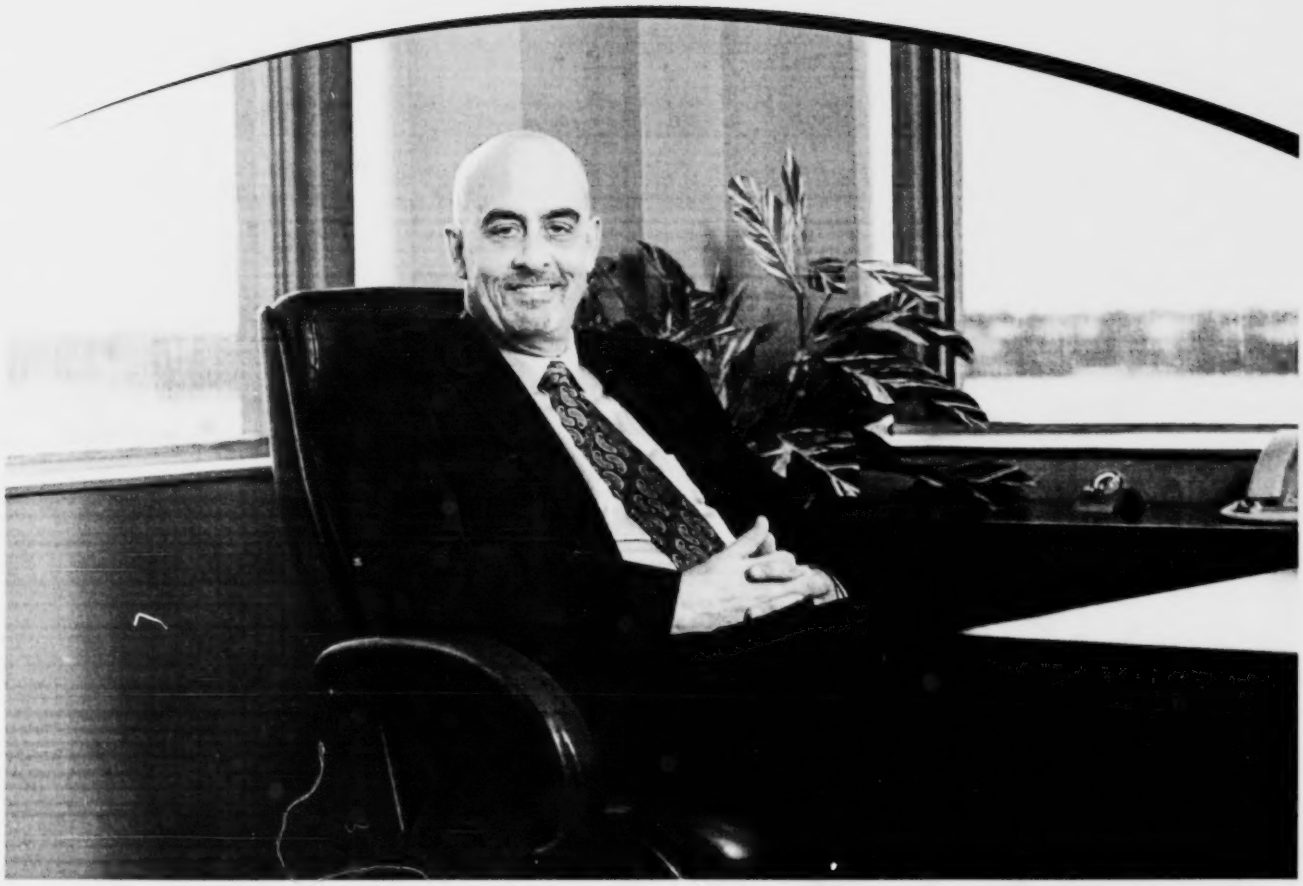
The level of success ISC has achieved, both financially and organizationally, indicates the provincial government's investment in the corporation has been returned. The corporate asset value is excellent by any measure, and the innovation displayed in new products and services today hints at even greater things to come in the future. ISC is poised to take on additional programs and services based on its competencies in registries and transaction-based customer interface systems. The future continues to look bright for ISC, and the corporation can look forward to even greater things.

On behalf of the past Board members and new 2008 Board, I would like to thank ISC's employees, customers, stakeholder, union and partners – for your hard work and commitment to ISC. Your trust and dedication has played an important part in ISC's continued success.



Grant Gayton
Board Chair

message from the president



2007 was an unforgettable year for ISC, one of unprecedented real estate activity that has affected everything we do. Across the province, the demand and value of property reached unparalleled highs, and a huge increase in title transactions accompanied the boom. We are proud to say that we met the challenge. In the face of the highest volumes of transactions in our history – a 20.4 per cent increase over last year – we maintained our service targets without added full time staff, thanks to the hard work and dedication of our employees and a keen focus on productivity improvements.

Of course, the heightened activity in the real estate market has had a positive impact on ISC's bottom line. Our operating environment was quite predictable from 2004 to 2006, with volumes and revenue at a very stable level and an average net income of approximately $8.4 million. In 2007, everything changed. The real estate market exploded across the province, with the biggest spike occurring in the third quarter, translating into higher revenues and a net income of $23.0 million. Our improved financial position allowed ISC to commit to pay a dividend of $8.0 million to our stakeholder: the first in our six-year history. We were also able to pay down debt, leaving a debt balance of only $13.5 million, substantially lowering ongoing operating costs.

While the market activity was in our favour this past year, we have to determine what the future holds. Our question going forward is simple: Was the market activity in 2007 an isolated windfall, or is this level our new norm? So far, indications for the short term show volumes are expected to come down slightly in 2008, but remain at higher levels than 2006. Our commitment to our customers is to provide fees that are fair and sustainable over time. That is a challenge, considering ISC is in the midst of a new volatile environment. We will be examining our fees in 2008, looking first at ways to eliminate customer irritant fees as well as broader possible reductions to address market conditions.

ISC has continued to live our vision: to *'be the leader in business excellence in all that we do. Our success will be driven by our people's passion and their spirit for innovation. Together, we will build prosperity in our communities, our province and our country.'* One important way we do this is through our commitment to our customers. Everything we do is with the customer in mind and every time a customer interacts with ISC online, in person or over the phone, it is a chance to create a truly great experience. We're encouraged by a 95 per cent customer satisfaction rating for the year, but want to continue exploring new ways to meet and exceed customer needs.

This desire to exceed expectations compels us to continuously improve and expand our products and services. This includes the second phase of our Online Submission service. Launching in 2008, our customers will have the ability to prepare and submit most land-related transactions online – expected to improve overall acceptance rates over manually submitted transactions.

Other improvements are the launch of Map Search – an interactive program that provides the opportunity to view and search all land records including titles and plans in one easy-to-use online map; GeoSask – a website that provides customers with one clear, online access point for government information related to land; and our Mineral Mapping project which will link and map all mineral parcels and titles to our LAND system.

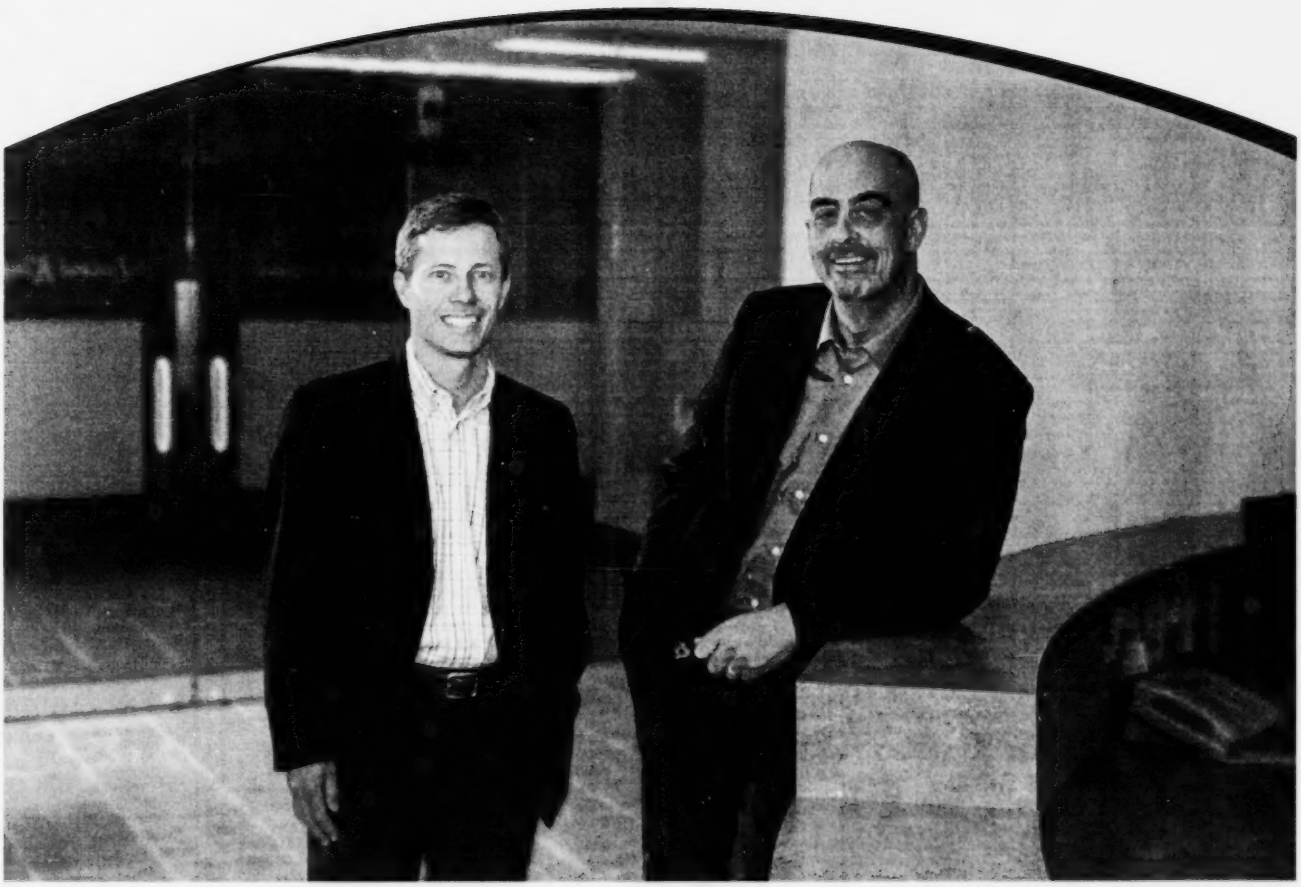
We are also focused on making a difference in the communities where we live and work. We proudly took over the Century Family Farm Award program in 2007, and recognized over 360 Saskatchewan families who have farmed the same land for 100 years or more. We're also proud of our community investment track record, as we provided funds to many good causes, including several donations supporting our corporate cause of breast cancer. Overall ISC donated close to $100,000 to the community in 2007.

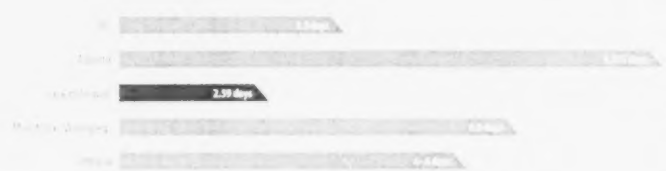
I am proud to have led ISC through this tumultuous year and I was very impressed by the way our people handled the significant increase in volumes. We have definitely set the right course and I am confident that we will see similar success in 2008. Going forward, we are in a better position to grow than at any other point in our history. Our strengths in customer service, cost management and product innovation have put the company in a position to take on new and exciting challenges. Given our commitment to excellence and innovation and the dedication of our talented employees – the future looks incredibly bright.

In closing, my thanks go to our people, Board, customers, partners, stakeholders and our union for their contributions in making 2007 a truly extraordinary year.

Scott Hodson
Acting President and Chief Executive Officer, Chief Customer Officer

customer service




2.59 days

At ISC, we are committed to enhancing our customers' experience. We are constantly seeking out ways to enhance our customers' business, to ensure that we deliver good value.

Our operating environment was quite predictable from 2004 to 2006. Volumes and revenue were at a very stable level, and in that period, the corporation focused on ways to lower cost through productivity and efficiency. In 2007, everything changed. The real estate market exploded across the province and ISC was stretched further than ever before. Volumes rose by 20.4 per cent over last year, with the biggest spike in activity coming in the third quarter. This was the busiest year in our history but our focus on productivity paid off and our employees delivered.

Customers have continuously told us that turnaround times are an important measure, as they indicate how well we are meeting the needs of our customers. Our target is 2.5 business days for land transactions, and we post how we're doing related to that target every day on our website. Our average turnaround time throughout 2007 was 2.59 days, despite the significant increase in volume. This turnaround time remains the fastest in Canada as is supported in the following chart of annual average turnaround times for 2007.

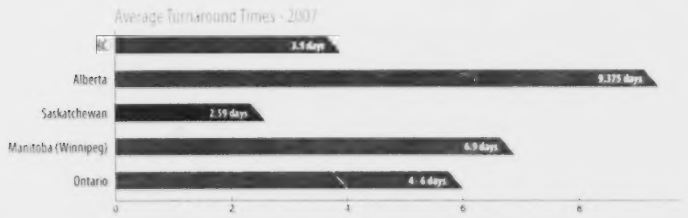
We will continue to concentrate on keeping turnaround times as low as possible, whatever the market conditions, to satisfy our customers' expectations. We are very pleased that in 2007, we received a customer satisfaction rating of 95 per cent, based on an independent survey. This figure is up from 90.9 per cent in 2006. Certainly, we have our frontline staff to thank for this. They work tirelessly to meet and exceed customer needs and expectations and this was not lost on our customers. Terry Kimpinski, Chair of the Canadian Bar Association - Saskatchewan Branch mid-winter meeting, attests to the record year saying, "All of you at ISC deserve to be commended. You've obviously been very busy this year but things are moving through the system with great efficiency." Betty Gregory, legal assistant from Wilcox Zuk Law Office, Shellbrook adds, "I find ISC (staff) incredibly helpful and friendly – I've never experienced an attitude or a bad mood from anyone there, and I find that quite amazing."

We introduced other initiatives to seek out ways to exceed those expectations and offer value to our customers, chief of which is the Customer User Forum. This three-day forum involved key customer participants who provided feedback to us on how best to improve our LAND (Land Titles Automated Network Delivery) system. We want to provide services that our customers need, not what we think they need. This forum provided us with recommendations and important feedback directly from the users of our products and services to improve our business. All issues identified at this forum, along with regular communication with sector groups, were prioritized to be addressed in 2008 and beyond.

The Customer User Forum was so successful that we will be introducing the Customer Innovation Forum in 2008. This forum will feature a broader set of customer participants to identify innovative ways of leveraging ISC's other services, such as our Saskatchewan Personal Property Registry (SPPR), in the future.

We continue to encourage and listen to feedback from our customers with a view to addressing their needs. Last year, based on such feedback, we reduced our Surviving Joint Tenant fee from a value-based fee to a low, flat fee. The reduction aimed to lessen the burden associated with handling financial affairs following a death, particularly for Saskatchewan residents on a fixed income. Other fees were also restructured, resulting in an annual saving of $880,000 for ISC customers.

In the future, ISC is also focusing on anticipating our customers' future needs, based on a deeper understanding of the unique requirements of each sector. We recognize the differences of each customer segment (such as lawyers, real estate agents, etc.), and by creating specialists in each area, we can more effectively address those differences.



< Terry Kimpinski, Chair of the Canadian Bar Association - Saskatchewan Branch and Scott Hutton, ISC Acting President and CEO

in the community

ISC's motto is "Making a Difference" and we strive to achieve this goal by giving back to the communities and the province where we work and live. We do this by supporting wide-ranging community programs that improve Saskatchewan's communities and people.

Our community investment strategy allocates a minimum of one per cent of our budgeted net income each year to support various community initiatives. In 2008 and 2009, we will increase our contributions to 1.5 per cent; and by 2010, we plan to donate two per cent of our budgeted net income to Saskatchewan communities.

One-third of our community investments each year go towards initiatives that support finding a cure for breast cancer. ISC chose breast cancer as our corporate cause due to the devastating impact this disease has on families across the province.

In January 2007, ISC celebrated a $200,000 donation to the Hospitals of Regina Foundation to benefit the Breast Assessment Centre at Regina's Pasqua Hospital. ISC's donation purchased state-of-the-art technology and equipment that aids in early detection and treatment of breast cancer. We all know that access to timely, effective diagnosis and treatment is essential in improving chances of survival for patients with breast cancer.

ISC ensures we make a significant difference in fighting breast cancer by supporting various other breast cancer initiatives across Saskatchewan, such as the Power of Pink fundraiser in Regina, the Canadian Cancer Society and the Irene and Leslie Dubé Centre of Care Fund to benefit the Centre of Care at the Saskatoon City Hospital. ISC has also supported the Health Foundation of East Central Saskatchewan (HFECS) in their campaign to purchase a digital mammography machine for the Yorkton area.

The remaining two-thirds of ISC's allocated community investment funds support four areas of focus: Youth, Diversity, Community and Saskatchewan Growth. This provides us with the ability to help a variety of disadvantaged and community-minded groups across Saskatchewan.

Youth and Diversity

ISC focuses on assisting Saskatchewan's disadvantaged youth and First Nations youth at the earliest age possible, so that they can aspire to achieve their dreams. Throughout 2007, ISC sponsored initiatives at the Albert Community School, the North Central Family Centre and the Balfour tutorial program focusing on the children's book program and the Elder program for teen mothers.

ISC donated $25,000 to Persephone Theatre in Saskatoon, so that they can continue to produce their Youth Series. This program is targeted to reach youth through one-hour drama productions that address daily struggles facing our youth, like bullying and peer pressure to use illegal substances.

Community

Our people have taken ISC's community involvement to heart. Teams ISC Land Rovers and Lori's Legacy #1 and #2 walked in the Canadian Cancer Society Relay for Life in Loreburn and Saskatoon in June. Their contributions helped these locations raise $270,000 for cancer research.

ISC had an active United Way campaign in 2007, which raised over $14,000 through fun interactive activities and direct pledges. Our employees' generous donations to the Regina Adopt-a-Family program also gave five families a great Christmas in 2007.

Saskatchewan Growth

ISC was a proud sponsor of the **Progress2Capital Business Planning** competition in 2007. This competition is open to any Saskatchewan citizen looking to start-up, expand or diversify a business based in the Regina region. **Class Five Snowboards** won the $5,000 ISC-sponsored cash award and financial and legal services to be used for starting up their business.

ISC is proud to support Saskatchewan's up and coming youth and entrepreneurs, like Class Five Snowboards – one of the only independent snowboard companies in Canada and the first snowboard manufacturer in Saskatchewan. Uniquely, every snowboard is handmade by James Friedrich and Justin Swedberg in their Regina studio. Class Five Snowboards sells snowboards online and through retailers in Regina and Moose Jaw.

< Justin Swedberg and James Friedrich of Class Five Snowboards putting their product to the test

ISC century family farm award

Starting in March 2007, ISC proudly took over the Century Family Farm Award program from the Ministry of Agriculture. The awards are a source of pride for Saskatchewan farm families and have become a badge of honour in the farming community. We are proud to be involved in a program that honours the contributions of families who have farmed the same land continuously for 100 years or more.

ISC's involvement with the Century Family Farm Award has improved the program in many ways. We have simplified the application process by conducting historical searches on the applicant's behalf, free of charge. Every recipient receives a copy of their original land grant, and can choose one of three awards. Recipients are also invited to attend an ISC-hosted celebratory event to be publicly recognized for their contribution to Saskatchewan's heritage.

Since the program's inception in 1981, over 2,000 awards have been handed out to Saskatchewan farm families. This past June, ISC awarded 367 families at the eight celebratory events held across Saskatchewan. ISC is proud to honour recipients for their families' accomplishments and dedication.

> "It was an honour to receive the ISC Century Family Farm Award during the Western Canada Farm Progress Show. After hearing the other recipients' stories about their ancestor's hardships establishing their land, a greater sense of pride was instilled in us that our farm has been in the Collins family for well over 100 years."
>
> *~ Allie and Mona Collins, Alameda, Saskatchewan*

< [illegible] Allie and Mona Collins received their ISC Century Family Farm Award at the Regina ceremony in June 2007.

people

Like most organizations in Canada, ISC will see an inordinate number of its "baby-boomer" employees retiring over the next decade. This represents a substantial challenge for all organizations and ISC is focused on addressing this challenge by putting people first. Our people strategy looks at succession, recruitment and performance management solutions, with an eye to positioning the company for the needs of the future. By focusing on our people initiatives, we are creating a positive work environment and ensuring we are attracting and retaining the best and brightest.

One way ISC is looking to retain talent and address succession issues is through a mentorship program that was developed by members of ISC's Youth Task Force and launched in December. Twenty-eight employees volunteered to take part in the pilot program, ranging from new employees to managers to executive. ISC believes that our success lies in our people. We are promoting our own people's talents and knowledge by encouraging a program that promotes knowledge transfer, communication between business units and diversifying skill sets.

ISC is proud of our employees and believes in publicly rewarding great work. The Making a Difference Awards were introduced in 2007 to annually recognize and celebrate three individuals and one team who consistently go above and beyond throughout the course of the year. Each recipient is noted for promoting a healthy work environment through hard work, dedication, cultural understanding, and/or outstanding people skills.

ISC also knows it's important to recognize those employees that go above and beyond throughout the year. The ISCompliments rewards program allows managers and supervisors to celebrate employee excellence in customer service, innovation, business excellence and great people practices by presenting them with a small gift card.

ISC also supports a healthy work/life balance. We have the National Quality Institute (NQI) program as a way to measure our progress as an organization in terms of physical environment, health practices, social environment and personal resources. Our focus has been on reducing absenteeism, increasing employee morale and job satisfaction, and creating a positive and inclusive work culture. We achieved Level II in the NQI Healthy Workplace Program in 2007, and we are continuing to work towards our goal of achieving Level IV. ISC's Healthy Workplace committee is assisting in reaching this goal by raising employees' awareness about mental, emotional and physical health through fitness challenges, information packages and highlighting health weeks throughout the year.

Since Saskatchewan is a diverse province, ISC strongly believes that diversity in the workplace is critical to our future success. Our commitment to diversity is particularly evident in the efforts of our Diversity and Equity Working Group. We are an equal opportunity employer, and ISC strives to reflect and support all of Saskatchewan's age groups and ethnicities in our workforce.

By the end of 2007, all ISC employees completed Aboriginal cultural awareness training. ISC also supports the Crown sector's Gradworks Internship program to show our support of youth in the workplace. Additionally, ISC is focused on placing Gradworks diversity candidates at ISC.

ISC employees also have fun in the workplace. Many lunch hours are dedicated to touch football games, bocce ball and road hockey. ISC's Social Club provides mingling opportunities outside of work hours with bowling nights, golf tournaments, steak nights, and the annual Christmas party. By encouraging a fun, friendly environment, ISC is a great place to work!

Making a Difference Award Recipients (L–R): ***Team of the Year, Rhonda Collins, Berni Keller, Olufunke Okochi, Julianne Jack; Scott Hodson; Inspire Award, Barbara J. Wright; Diversity Leadership, Len Daniels; Above and Beyond, Christine Hughes.***

< (L–R seated) Darlene Jenkins, Manager, Customer Support; Kelly Sitio, Examiner, Surveys; Kim Marsden, Customer Services Support Representative; and Mirjeka Ohani, Examiner, Surveys. (L–R standing) Berni Keller, Team Support, Public Affairs; Brett Moore, e-Business Team Lead; Olufunke Okochi, Communications Co-ordinator, Public Affairs; and Ed Desnoyers, Controller of Surveys, Product Strategy & Services

products and innovation

ISC is focused on innovation and is continually looking to extend our success using technology and research to search for innovative solutions. ISC is actively working towards setting the standard for technological advancements provincially, nationally and internationally.

2007 brought two exciting new services for our customers:

Map Search

Map Search was launched in June to provide customers with the opportunity to view and search all land records, including titles, plans and surface and mineral parcels, in one accessible, interactive map, for free. Map Search fully integrates the LAND and Geomatic Information System (GIS) search capability. It has multiple search modes, a large informative viewing area, comprehensive information including surface and mineral parcels, and the capability to print more than one parcel at a time. Customers can even use the identify feature to get free summary information for all parcels selected.

SPOT Satellite Imagery

On September 1st, ISC was pleased to become the only licensed and registered reseller of SPOT Satellite Imagery in Saskatchewan. As part of our Geomatics Distribution Centre (GDC), the GDC Product & Service Catalogue now provides a clear, recent aerial representation of provincial land in both digital and hardcopy format and of national and international land in digital format. This data is in GIS-ready format and can be used with ISC's other GIS datasets including the Cadastral Dataset, SaskGrid, the Saskatchewan Upgraded Road Network (SURN), and the National Topographic Series (NTS) maps. For example, some clients overlay quarter section lines on top of the imagery to assess their land's borders. Others have ISC use the imagery to calculate the exact acreage of their land.

Larry McLeod, a Saskatchewan Land Surveyor working in the Buffalo Pound area, was impressed by the demonstrations given by GIS Product Specialist Daryl Kraft. "I am amazed by how quickly Daryl can put the rural and urban cadastral overlay on the satellite imagery and plot this as a hard copy format to be used in the field ... it is a big improvement over the way the system was before. I plan to explore this system more to find more timely uses for it in my company."

ISC is a proactive company that is always looking forward. In 2007, we laid the foundation for customers to enjoy the benefits of the following exciting projects as they are completed in 2008 and 2009.

Mineral Mapping Project

In the 18-month period from June 2006 to December 2007, ISC undertook the challenge of creating a visual representation of the title or abstract mineral parcels in Saskatchewan to make available a GIS image of the parcel, at no charge, via the Internet. ISC has been able to link mineral cadastral data with related GIS information on approximately 92 per cent of the rural quarter sections in the province – up from the previous level of only six per cent. By the end of the year, 423,000 quarter sections were mapped, which includes 318,418 abstract parcels and 146,734 titled parcels. Linking the mineral cadastral to GIS provides a parcel picture or image aiding customers with a calculated acreage value and a visual image for the mineral ownership. The project, in partnership with Energy and Resources, will continue until all rural quarter sections in the province have been reviewed with as many parcels mapped as possible.

Integrated Land Information Management Service

ISC is working with various government ministries that manage Crown lands to build a strategy for an Integrated Land Information Management service (ILIM). This project will consolidate land, resource and geographic information in one place, providing a more efficient and effective delivery of this information to customers, multiple government ministries and industry. ILIM is at the conceptual design stage, and efforts in 2008 will be focused on communication and building strategy.

< Christine Hughes, Manager, Resolutions Team, displays the results of ISC's successful Mineral Mapping Project.

GeoSask

A key project to support ILIM is being launched in early 2008. The GeoSask portal is a centralized public website that provides one clear online access point to maps and information related to land. GeoSask facilitates the sharing of provincial geomatics data (such as maps, aerial photography [current and historic], satellite and ortho-imagery, and cadastral and topographic data) and makes data easily accessible to industry and the public

ISC is managing the portal, which shares information provided by ISC, along with the ministries of Agriculture, Environment, Highways and Infrastructure, Health, Education and Energy and Resources. Typical uses of the GeoSask portal would be an oil and gas company trying to obtain a drilling permit or the public trying to find information related to maps for outdoor pursuits.

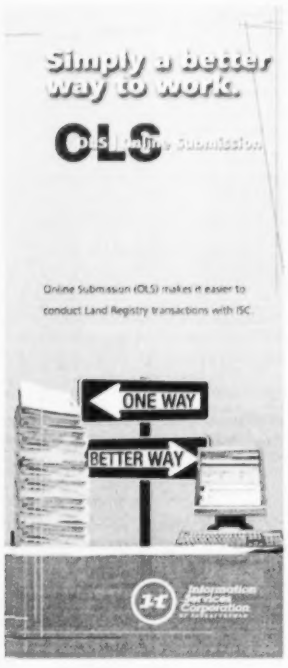
GeoSask

MARS

Another key project underway to support ILIM is the Mineral Administration Registry of Saskatchewan (MARS). ISC is partnering with Energy and Resources to explore ways to enhance customer service to the mining industry by developing an Internet-based map selection system to assist with electronic submission for mineral claims and permits and management of tenures.

LAND V2

Since introducing the online LAND Registry system in 2001, ISC has ensured it has been continuously updated and improved. However, technology evolves quickly and we are preparing for a second generation LAND Registry System - LAND V2. The focus of the improvements will be on segmenting customer sectors to more accurately address their individual needs, while still providing core services to all. In 2008, we will be working closely with our customers as we complete the strategy phase to ensure our Land Registry continues to be one of the very best in the world.


Simply a better way to work.
OLS
Online Submission
Online Submission (OLS) makes it easier to conduct Land Registry transactions with ISC.
ONE WAY
BETTER WAY
Information Services Corporation

Online Submission (OLS)

Throughout 2007, ISC laid the foundation for the service expansion of 2005's Online Submission (OLS). OLS has proven to be a better way to work. It populates customer submissions online directly from the Land Registry database, replacing the old forms-based method. Since the launch of OLS, acceptance rates of online-submitted packets are now at 93 per cent (up significantly from the previous level of 75 per cent).

The goal of this enhancement project is to achieve a single solution for as many land registry clients as possible. OLS will soon serve customers better by expanding the transaction types to include interest assignments and amendments, writ and maintenance order registrations, estate transactions, alternate authority, and mineral parcel transforms and commodity splits.

Destiny Gibney, a sole-practitioner from Drake, made these comments about her experience with OLS: "I use OLS all the time, and I love it. I taught myself using the online e-Learning Tutorials. I find it very easy to learn and user friendly. I am thrilled that ISC is adding the remaining transactions. Having grown up using computers, I can't imagine doing it any other way." Customers like Destiny will soon be experiencing the real power of OLS – a comprehensive tool with the power to handle 98.5 per cent of all land registry transactions.

International Land Registry Conference

In September, ISC attended "Registering the World" – the first international land registry conference in Dublin, Ireland. ISC was represented by Karen Banks, Director of Strategy, Property Registries; Catherine Benning, Registrar of Titles; and Sheri Hupp, Team Lead Business Services and Deputy Registrar of Titles, at the conference that addressed challenges, issues and opportunities for land registries in the 21st century. These ISC employees presented a paper at the conference entitled **Developing a Land Registry for the Future: Critical Elements in Designing Second Generation Electronic Land Registries**. Karen Banks notes that, "It was a high honour to be invited to present at the international conference, as it demonstrates ISC's significant expertise and leadership in Registries."

> "I use OLS all the time, and I love it. I taught myself using the online e-Learning Tutorials. I find it very easy to learn and user friendly. I am thrilled that ISC is adding the remaining transactions. Having grown up using computers, I can't imagine doing it any other way."
>
> *~ Destiny Gibney, Drake, Saskatchewan*

< (L-R) Sheri Hupp, Team Lead Business Services and Deputy Registrar of Titles; Karen Banks, Director of Strategy, Property Registries; Catherine Benning, Registrar of Titles

management's discussion and analysis

Introduction

Information Services Corporation (ISC) of Saskatchewan is the provincial Crown corporation responsible for the administration of land titles, geographic information systems (GIS), surveys, mapping and interests in personal property.

ISC was formed as a corporation in January 2000, but has a history that predates the province itself. ISC provides valued customer-focused services such as the Land Registry, the Saskatchewan Personal Property Registry (SPPR), the Survey Plan Registry and Geomatics services to customers inside and outside of Saskatchewan.

The Management's Discussion and Analysis highlights the primary factors that had an impact on operations and the financial results of ISC for the year ended December 31, 2007. It should be read in conjunction with the audited financial statements and accompanying notes. It provides management's perspective of the corporation for the previous twelve months.

This discussion also contains forward-looking statements based on the corporation's estimates and assumptions concerning future results and events. Due to the risks and uncertainties inherent in any forecasted outlook, the actual results of the corporation could differ materially from those anticipated.

Financial Performance

In the last five years ISC has made significant strides to improve its financial position and to provide reliable and responsive services to our customers. Our strengths in customer service, financial management and product innovation have put the company on very solid footing and in a position to take on new and exciting challenges in the future.

In 2007, the corporation benefited from a distinct environment, with the real estate market in the midst of an unexpected boom. The resulting heightened economic activity – at historic highs with a 20.4 per cent increase over 2006 for transactions – has had an incredible impact on ISC's bottom line. However, we can't expect this heightened level of activity to continue. We project revenue to dip slightly in 2008 as the market levels, though it is still expected to be higher than 2006 results. ISC is committed to proactively evaluating fees to ensure they are fair to customers, while also ensuring any fee reductions are sustainable over time. Our annual fee review resulted in reduced fees in 2007, and the corporation will examine our fees once again in 2008, looking first at ways to eliminate customer irritant fees as well as broader possible reductions in response to our new market conditions.

ISC operates within a unique financial model. Revenues are outside of our control as they are dependent on market conditions (volume of work and land values). As a result, we focus diligently on managing cost and enhancing productivity to capture greater efficiencies. Our model is simple: we aggressively seek cost reductions, so we can reinvest the savings in value creation. In 2007 we managed higher volumes without increasing resources because we found better ways to do things. We will continue this focus on productivity in 2008.

Regardless of outside market influences, ISC strives to:

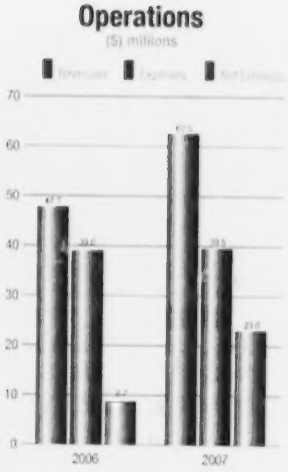
- provide exceptional value through our products and services to our customers, ensuring our pricing is both fair and competitive;
- focus on operational efficiencies that support growth and innovation;
- have a continued commitment to managing operating costs for core services;
- contribute financially to the prosperity of our province by issuing a strong, sustainable dividend payment; and
- maintain a sustainable return on investment.

< Jeff Stuart, Chief Operating Officer

2007 Financial Results

ISC's operating environment was quite predictable from 2004 to 2006, with volumes and revenue at a very stable level and an average net income of approximately $8.4 million. In 2007, everything changed. The real estate market exploded across the province, with the biggest spike occurring in the third quarter, translating into higher revenues and a net income of $23.0 million. ISC responded to the demands of increased volumes and maintained service standards while delivering services in increasingly efficient ways and focusing on maintaining costs.

($) millions	2007	2006
Revenues	62.5	47.7
Expenses	39.5	39.0
Net Income	23.0	8.7



Revenue

ISC's revenue for 2007 increased significantly to $62.5 million from $47.7 million in 2006. This was due to a rising economy and a vibrant real estate market with high transaction volumes and increased property values throughout the province. Land Registry revenue was $50.3 million and Personal Property Registry was $8.3 million (totalling $58.6 million, up from registry revenue of $44.6 million in 2006); new products and services was $0.8 million, up from $0.3 million in 2006; and Geomatics remained the same as 2006 at $2.8 million. In addition, the corporation maintained service standards throughout the year without increasing operating costs, thanks to a focus on productivity. We expect a slowdown in activity in 2008, though still higher than 2006 levels.

Expenses

Liquidity

Cash provided by operating activities

Year ended Dec. 31	2007 ($) millions	2006 ($) millions	Change ($) millions	Change %
	32.3	18.0	14.3	79.4

Cash used by investing activities

Year ended Dec. 31	2007 ($) millions	2006 ($) millions	Change ($) millions	Change %
	5.5	5.1	0.4	7.8

Cash used by financing activities

Year ended Dec. 31	2007 ($) millions	2006 ($) millions	Change ($) millions	Change %
	17.9	13.6	4.3	31.6

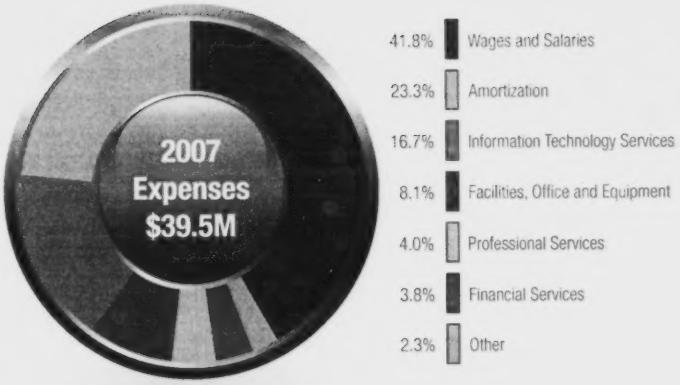
Equity

Dividends

Financial Targets

Expenses

ISC's expenses for 2007 were $39.5 million, up from $39.0 million in 2006. Of this amount, $16.5 million went to wages and salaries; $9.2 million for amortization; $6.6 million for information technology services; $3.2 million for facilities, office and equipment; $1.6 million for professional services; $1.5 million for financial services; and $0.9 million for other expenses.



Liquidity

ISC was able to fund all operations, capital expenditures and debt obligations with cash generated from its operations. The following tables provide a clearer description of the corporation's activities.

Cash provided by operating activities:

Year ended Dec. 31	2007 ($) millions	2006 ($) millions	Change ($) millions	Change %
	32.3	18.0	14.3	79.4

Cash used by investing activities:

Year ended Dec. 31	2007 ($) millions	2006 ($) millions	Change ($) millions	Change %
	5.5	5.1	0.4	7.8

Cash used by financing activities:

Year ended Dec. 31	2007 ($) millions	2006 ($) millions	Change ($) millions	Change %
	17.9	13.6	4.3	31.6

In 2007, ISC fully paid its short-term debt of $13.0 million, leaving only a long-term debt of $13.5 million.

Equity

For the first time in its history, ISC achieved a positive retained earnings position of $13.7 million in 2007, which allowed the corporation to return a dividend to its shareholder.

Dividends

2007 marked a historical achievement for ISC with the commitment of an $8.0 million dividend to our shareholder. ISC will continue to provide these payments and is forecasting to provide a dividend payment of 90 per cent of net income on an ongoing basis.

Financial Targets

In 2007, ISC achieved a debt ratio of 42.4 per cent and a return on assets of 51.7 per cent as compared to the targeted 65.7 per cent and 17.8 per cent respectively.

Looking Ahead

ISC is at a critical stage as a young company in terms of growth. The good news is the corporation is in a better position than at any point in its history to grow.

At the core of ISC's growth strategy is the belief that the corporation provides products and services that make Saskatchewan a great place to do business. ISC has built tremendous competencies that can be leveraged to capture new customers with new lines of business.

ISC's financial strategy has been developed to support these plans for growth, while continuing to pursue opportunities to control or limit expenses without compromising service excellence. Our objective is to meet our shareholder needs as well as to meet the needs of the corporation through strong financial management.

Going forward, ISC believes net income should be at $10.0 million for core registry business. This number reflects a fair dividend payment and sufficient cash flow to pay for the capital improvements that are necessary to continuously improve core products, without going into further debt. Given this target, ISC will continue to diligently manage costs and establish fees that provide sufficient revenue to meet the net income target.

Revenue

ISC has seen elevated revenues as the Saskatchewan economy gained momentum. The corporation responded to the demands of increased volumes and maintained service standards with minimal operating cost increases. We expect a slowdown in activity in 2008, though still higher than 2006 levels. A fee review in 2008 will ensure our fees are both sustainable and fair for our customers.

Core services revenue is highly sensitive to changes in transaction volumes, generated by changes in the provincial economy. To ensure long-term sustainability, ISC has developed a five-year strategy for generating revenue from new products and services. These diversification activities will continue to build ISC as the leading provider of integrated land information and registry services.

Expenses

The corporation's five-year financial strategy is based on a reduction in the rate of increase year over year in our annual core operational expenses, supported by plans to streamline core business and improve operational responsiveness. Growth opportunities are closely evaluated to ensure long-term financial sustainability and positive net returns.

As always, ISC will continue to monitor our core business to ensure a sustainable return on investment through product and service process efficiencies, resourcing efficiencies and system, product and service enhancements. As a result of this, ISC has committed to a target of approximately $10.0 million net income annually over the five-year period on our core services.

Financial Performance Targets

ISC continues to develop long-range and strategic financial targets that support and enhance the corporation's performance and financial health. Strong performance in recent years has resulted in the achievement of several long-term financial objectives ahead of schedule.

Long-range targets are as follows:

Measure	2008	2009	2010	2011
Debt ratio	60.2%	58.6%	56.8%	55.2%
Return on assets	19.7%	27.7%	26.1%	24.3%

Revisions to the five-year financial strategy have prompted adjustments to these targets to ensure consistency with the achievement of ISC's corporate objectives. A significant adjustment has been made to ISC's debt ratio projections to reflect the repayment of short-term debt. The return on assets has also changed due to the increase in our return on investment.

To underscore ISC's commitment to aggressively managing operating costs, a new measure – change in year over year core operating cost (exclusive of amortization and interest) – has been added.

Achievement of the revised financial plan is expected to generate results of:

Measure	2008	2009	2010	2011	2012
Core operating costs, excluding amortization and interest, year over year percentage change	6.2%	2.4%	2.0%	2.0%	1.4%
Debt ratio	34.7%	33.6%	32.5%	31.3%	29.9%
Return on assets	32.0%	27.6%	32.3%	36.1%	41.0%

In 2008, ISC will continue to research and develop performance metrics suitable for performance management in the long term. In addition to this research, ISC will explore opportunities to implement internal and external benchmarks to evaluate ongoing performance and ensure competitiveness and sustainability.

Management's Representation on the Schedule of Performance Information

We prepared the performance information in accordance with the following principles except as otherwise described in the Schedule of Performance Information.

The performance information is related to stated objectives and performance targets and enables an assessment of the extent to which the objectives and targets are being achieved. It shows how results were achieved and how progress in achieving performance targets was measured.

The performance information is reliable. It is based on data that is accurate, complete and available over a long period of time and at a reasonable cost. It is derived from data that is fair and unbiased, and that is capable of being replicated by independent and knowledgeable observers.

The performance information is understandable. It provides the level of detail needed to enable a proper understanding of performance and is limited to a key set of performance measures that are comparable over time and are aggregated at appropriate and meaningful levels.

Scott Hodson
Acting President and CEO

Kathy Hillman-Weir
Acting Chief Governance Officer and General Counsel

schedule of performance information

ISC's Balanced Scorecard (BSC) holds ISC accountable to our stakeholder and the public and is a useful tool to report on corporate progress. Measures are developed based on the strategic planning goals and objectives of ISC as well as the requirements of Crown Investments Corporation. Our 2007 BSC provides a balanced view of our achievements by evaluating the organization from five perspectives:

- Customers and Stakeholders
- Enhancing Value – Organizational and Financial Performance and Growth
- Public Purpose
- People
- Innovation and Process Management

This six-year view of our BSC highlights the 2007 measures, targets and results and includes results from 2005 and 2006, which align with the current 2007 scorecard measures. It also outlines our targets for 2008, 2009 and 2010.

Our measures have changed over the past few years and will continue to evolve. ISC is continually seeking to improve our public reporting and, to that end, some measures are removed from our scorecard from one year to the next, while others are revised or added.

In the fall of 2007, ISC reviewed the BSC. The result is our 2008 Balanced Scorecard, which more closely aligns with the current ISC Strategic Plan to become more meaningful internally, while still addressing and demonstrating ISC's contribution to the priorities of the Crown sector. The 2008 BSC contains all of the required measures of our shareholder plus corporately significant measures which link to our ISC Strategic Plan. The BSC for 2008 is organized under four perspectives:

- ***People:*** Be recognized as the company that puts people first
- ***Customer:*** Continually enhance the customer experience
- ***Leadership, Image and Identity:*** Be leaders in executing, innovating and partnering./ Building an image and identity that inspire trust and confidence
- ***Revenue, Growth and Profitability:*** Growing revenue through diversification while achieving fair and sustainable profit and return to shareholders

The 2008 BSC is provided following the 2007 results.

balanced scorecard for the year ended December 31, 2007

Customers and Stakeholders

2007 Corporate Strategies and Objectives:

- Exceed customer expectations
- Establish, achieve and maintain exemplary quality and service standards
- Develop standards and metrics for service delivery
- Enhance business development expertise
- Accelerate resolution of customer issues
- Improve strategic relationships with customers
- Enhance market intelligence

2005-2007 Targets followed by Year End Results

Target
Year End Results

MEASURE	2005	2006	2007	2008	2009	2010
Average turnaround time for standard Land Registry transactions in business days [1]	3.0 / 2.85	2.5 / 2.55	2.5 / 2.58	2.5	2.5	2.0
Accuracy rate of land registration transaction processing [2]	99.8% / 99.3%	99.8% / 99.4%	96.0% / 98.1%	96.5%	98.0%	98.0%
Land registration packet examination acceptance rate [3]	New for 2007		82.0% / 81.4%	82.0%	84.0%	86.0%
Percentage of customers that are "satisfied" or "highly satisfied"	80.0% / 83.0%	80.0% / 90.5%	85.0% / 95.0%	85.0%	90.0%	90.0%

[1] Standard Land Registry transactions include most transfers and interests submitted for registration to the Land Registry, but do not include condominium registrations, registrations involving changes to the underlying survey plan, or other non-registration related requests. Standard Land Registry transactions account for 90% of all Land Registry transactions.

[2] In 2007, new methodology was applied to this measure. The targets have been adjusted to reflect this change.

[3] The packet examination acceptance rate describes the percentage of land registration transaction packets that are accepted and registered without any requirement for correction or revision.

Customers and Stakeholders

2007 Corporate Strategies and Objectives:

- Exceed customer expectations
- Establish, achieve and maintain exemplary quality and service standards
- Develop standards and metrics for service delivery
- Enhance business development expertise
- Accelerate resolution of customer issues
- Improve strategic relationships with customers
- Enhance market intelligence

2005-2007 Targets followed by Year End Results

Target
Year End Results

MEASURE	2005	2006	2007	2008	2009	2010
Average turnaround time for standard Land Registry transactions in business days [1]	3.0 2.85	2.5 2.55	2.5 2.58	2.5	2.5	2.0
Accuracy rate of land registration transaction processing [2]	99.0% 99.2%	99.0% 99.4%	98.0% 98.1%	96.5%	98.0%	98.0%
Land registration pocket examination acceptance rate [3]	New in 2007		82.0% 81.4%	82.0%	84.0%	86.0%
Percentage of customers that are "satisfied" or "highly satisfied"	80.0% 82.0%	82.0% 82.5%	85.0% 95.0%	85.0%	90.0%	90.0%

[1] Standard Land Registry transactions include most transfers electronically submitted for registration to the Land Registry, but do not include condominium conversions, transactions involving changes to the underlying survey plan, or other less routine documented requests. Standard Land Registry transactions account for 90% of all Land Registry transactions in 2007. Our methodology was revised in this measure. The results have been adjusted to reflect the change.

[2] The accuracy of registration transactions is the percentage of documents processed by the Land Registry that are recorded and registered without any requirement for correction or resubmission.

[3] The pocket examination acceptance rate denotes the percentage of client-prepared transaction packages that are accepted and registered without any requirement for correction or resubmission.

balanced scorecard for the year ended December 31, 2007

Enhancing Value – Organizational and Financial Performance and Growth

2007 Corporate Strategies and Objectives:

- Optimize and sustain profitability
- Focus on cost management
- Optimize utilization of resources
- Establish clear vision and mission mandate
- Gain stakeholder endorsement of vision and growth plan
- Close significant revenue opportunities
- Develop market driven growth plan
- Develop new products and services and acquire new customers

2005-2007 Targets followed by Year End Results

Target / Year End Results

MEASURE	2005	2006	2007	2008	2009	2010
Operating costs, excluding amortization and interest: percentage of revenue	61.6% / 59.4%	61.2% / 59.3%	63.5% / 47.1%	Measure discontinued and replaced with a new measure beginning in 2008 [4]		
Debt ratio	New in 2006	94.3% / 69.6%	65.7% / 42.4%	34.7%	33.6%	32.5%
Return on assets [5]	10.5% / 17.0%	11.6% / 19.5%	17.8% / 51.7%	32.0%	27.6%	32.3%
Annual revenue from new products and services introduced since 2004 [6]	New in 2007		$2.5M / $0.8M	$1.7M	$5.1M (cumulative from 2008)	$9.7M (cumulative from 2008)

[4] In 2008, the measure, targets and the methodology will be changed to: "Core operating costs, excluding amortization and interest: year-over-year percentage change".

[5] Return on assets was higher than anticipated, as there was a larger net income due to higher revenues and cost containment again in 2007. ISC exceeded its revenue target due to higher than projected volumes of Land Registry transactions and increased market values of property. Therefore, ISC is generating a higher return from its resources than targeted.

[6] Many of the 2007 initiatives did not progress at the pace originally anticipated. The 2008 Balanced Scorecard includes a newly revised set of targets based on business plans to more accurately define ISC's revenue portfolio.

balanced scorecard for the year ended December 31, 2007

Public Purpose

2007 Corporate Strategies and Objectives:

- Build image and earn trust
- Implement strategies to attract and retain diversity and youth candidates
- Focus on aligning culture to vision, mission and values
- Broaden the provincial economy, workforce and jobs
- Sustain and protect Saskatchewan's environment

2005-2007 Targets followed by Year End Results

MEASURE	2005 Target / Year End Results	2006 Target / Year End Results	2007 Target / Year End Results	2008	2009	2010
Percentage of workforce that:						
• Self-identifies as a person of Aboriginal ancestry	1.5% / 0.96%	2.0% / 2.9%	6.0% / 6.1%	9.0%	11.0%	13.0%
• Self-identifies as a person with a disability	1.5% / 3.35%	2.0% / 3.7%	4.0% / 9.2%	9.0%	9.0%	9.0%
• Self-identifies as a visible minority	2.0% / 0.48%	2.0% / 1.6%	2.0% / 3.8%	4.0%	5.0%	5.0%
• Consists of women in management and executive positions	45% / 50%	45% / 52%	50% / 54.3%	50%	50%	50%
Percentage of employees who have completed corporate cultural awareness training	New in 2007		100% / 99.6%	50%	50% (100% cumulative over two year period)	50%
Total number of employment terms offered to provide workplace exposure and experience to students and recent graduates and to facilitate workforce development	New in 2007		18 / 20	22	27	30
Value of goods and services purchased in Saskatchewan as a percentage of purchases[1]	90.0% / 94.0%	95.0% / 95.6%	95.0% / 87.1%	85%	85%	85%
Financial expenditure for community initiatives and investment in Saskatchewan as a percentage of budgeted net income	New in 2007		Minimum 1% ($75,000) / 1.3% ($95,123)	Minimum 1.5%	Minimum 1.5%	Minimum 2.0%
Percentage of standard customer transactions received at ISC by electronic methods	New in 2007		94.0% / 95.0%	95.0%	95.0%	95.0%
Percentage of Land Registry transactions submitted by customers using the Online Submission Tool[2]	12.0% / 12.0%	64.0% by year end / 28.67% by year end	53% / 33.4%	36%	41%	66%

[1] The methodology for calculating Saskatchewan purchases was amended after the 2007 targets were set and as a result, the quarterly and year end results have been off-track for the year. Methodology and targets have been updated for 2008.

[2] The initiative to modify the Online Submission (OLS) tool is on track and expected to launch at the end of Q1-2008. It is expected to respond to and meet customer needs. Uptake targets will be redefined to align with expectations for future OLS usage levels.

Enhancing Value – Organizational and Financial Performance and Growth

2007 Corporate Strategies and Objectives:

- Optimize and sustain profitability
- Focus on cost management
- Optimize utilization of resources
- Establish clear vision and mission mandate
- Gain stakeholder endorsement of vision and growth plan
- Close significant revenue opportunities
- Develop market driven growth plan
- Develop new products and services and acquire new customers

2005-2007 Targets followed by Year End Results

MEASURE	2005	2006	2007 Target / Year End Results	2008	2009	2010
Operating costs, excluding amortization and interest, percentage of revenue	61.6% / 59.4%	61.2% / 59.3%	63.5% / 47.1%	Maintain operating cost ratio at or below 63.5% (excluding one-time charges)		
Debt ratio	New in 2006	64.5% / 61.6%	65.7% / 42.4%	34.7%	33.6%	32.5%
Return on assets *	10.5% / 11.6%	11.6% / 11.1%	17.8% / 51.7%	32.0%	27.6%	32.3%
Annual revenue from new products and services introduced since 2004 *	New in 2007		$2.5M / $0.8M	$1.7M	$3.1M	$9.7M

In 2006, the decision targets and the methodology will be changed to: "Zero operating cost variance and positive net income" with an increase in the target.

Return on assets was lower than anticipated, as there was a larger net income due to significant revenue and transactions taken in 2007, but recorded in previous fiscal years for higher than expected volumes of Land Registry transactions and increased market values of property. Therefore, BC is providing a higher return from its managed fund than budgeted.

Many of the 2007 initiatives did not progress at the pace originally intended. The Corporate Services Division is currently evaluating its strategic initiatives and will develop more accurate delivery timelines in 2008.

Public Purpose

2007 Corporate Strategies and Objectives:

- Build image and earn trust
- Implement strategies to attract and retain diversity and youth candidates
- Focus on aligning culture to vision, mission and values
- Broaden the provincial economy, workforce and jobs
- Sustain and protect Saskatchewan's environment

2005-2007 Targets followed by Year End Results

Target
Year End Results

MEASURE	2005	2006	2007	2008	2009	2010
Percentage of workforce that:						
• Self-identifies as a person of Aboriginal ancestry			6.0% 6.1%	9.0%	11.0%	13.0%
• Self-identifies as a person with a disability			4.0% 9.2%	9.0%	9.0%	9.0%
• Self-identifies as a visible minority			2.0% 3.8%	4.0%	5.0%	5.0%
• Consists of women in management and executive positions			50% 54.3%	50%	50%	50%
Percentage of employees who have completed corporate cultural awareness training			100% 99.6%	50%	50%	50%
Total number of employment terms offered to provide workplace exposure and experience to students and recent graduates and to facilitate workforce development			18 20	22	27	30
Value of goods and services purchased in Saskatchewan as a percentage of purchases			95.0% 87.1%	93%	89%	85%
Provincial expenditure for community initiatives and investment in Saskatchewan as a percentage of budgeted net income			Minimum 1% ($75,000) 1.3% ($95,123)	Minimum 1.5%	Minimum 1.5%	Minimum 2.0%
Percentage of standard customer transactions received at ISC by electronic methods			94.0% 95.0%	95.0%	95.0%	95.0%
Percentage of Land Registry transactions submitted by customers using the Online Submission Tool			5% 33.4%	30%	41%	50%

balanced scorecard for the year ended December 31, 2007

People

2007 Corporate Strategies and Objectives:

- Become employer of choice
- Institutionalize Healthy Workplace Quality Principles
- Align culture to vision, mission, values
- Build a total rewards program
- Develop strategic position for internal communication
- Assess capabilities and develop recruitment, learning and development plans
- Complete succession management plan

2005-2007 Targets followed by Year End Results

Target
Year End Results

MEASURE	2005	2006	2007	2008	2009	2010
Accreditation for achievement of National Quality Institute Healthy Workplace standards	New in 2006	Level II Accreditation Application made Nov. 2006; accreditation approved April 2007	Level II sustained; prepare for Level III application Level II sustained and preparing for Level III application	Achievement of Progressive Excellence Program Healthy Workplace Level III	Sustain Progressive Excellence Program Healthy Workplace Level III	Achievement of Progressive Excellence Program Healthy Workplace Level IV
Rating of organizational culture and employee well-being*	3.3 3.5 *(five point scale)*	3.5 Preparing to conduct survey using new measurement tool in 2007	Employee engagement 3.21/5; Cultural alignment 3.28/5; Employee satisfaction 3.32/5 Employee engagement 3.50/5 Cultural alignment 3.45/5 Employee satisfaction 3.47/5 Overall = 3.48/5	TBD	TBD	TBD
Financial expenditure for employee development, learning and succession planning initiatives as a percentage of straight time payroll expenditures	3.0% ($360,000) 3.3% ($363,063)	3.0% ($350,934) 3.4% ($401,892)	Minimum 3% ($410,000) 3.75% ($479,362)	Minimum 3%	Minimum 3%	Minimum 3%

*The employee survey was postponed from Q4 2007 until January 2008. The survey results just received in early 2008 and available at the time of printing this report are included above and will be used as the baseline measurement to establish targets for future results in 2008-2010.

balanced scorecard for the year ended December 31, 2007

Innovation and Process Management

2007 Corporate Strategies and Objectives:

- Improve corporate agility and responsiveness
- Institutionalize Quality Principles
- Seek and action process and productivity improvements
- Define governance scope and framework

2005-2007 Targets followed by Year End Results

Target
Year End Results

MEASURE	2005	2006	2007	2008	2009	2010
Accreditation for achievement of National Quality Institute Quality standards [10]	Level II accreditation / Application submitted Dec 2005; approved April 2006	Sustain Level II / Level II accreditation confirmed and sustained	Level III accreditation / Level II sustained	Re-achievement of Progressive Excellence Program, Business Excellence Level II	Sustain Progressive Excellence Program, Business Excellence Level II	Achievement of Progressive Excellence Program, Business Excellence Level III

[10] In Q1-2007, ISC determined that it was unrealistic to pursue or achieve Level III NQI accreditation in the year. However, ISC has renewed and strengthened its commitment to excellence in the organization. Targets for 2008 have been revised to reflect the change in approach.

People

2007 Corporate Strategies and Objectives:

- Become employer of choice
- Institutionalize Healthy Workplace Quality Principles
- Align culture to vision, mission, values
- Build a total rewards program
- Develop strategic position for internal communication
- Assess capabilities and develop recruitment, learning and development plans
- Complete succession management plan

2005-2007 Targets followed by Year End Results

Target
Year End Results

MEASURE	2005	2006	2007	2008	2009	2010
Accreditation for achievement of National Quality Institute Healthy Workplace standards	Year 4 - Gold	Level II Accreditation Application made Nov. 2006; accreditation achieved April 2007	Level II sustained; prepare for Level III application Level II sustained and preparing for Level III application	Achievement of Progressive Excellence Program Healthy Workplace Level III	Sustain Progressive Excellence Program Healthy Workplace Level III	Achievement of Progressive Excellence Program Healthy Workplace Level IV
Rating of organizational culture and employee well-being*	3.5 Approval Rating	3.5 Employee Satisfaction Survey	Employee engagement 3.21/5; Cultural alignment 3.28/5; Employee satisfaction 3.32/5 Employee engagement 3.50/5 Cultural alignment 3.45/5 Employee satisfaction 3.47/5 Overall = 3.48/5	TBD	TBD	TBD
Financial expenditure for employee development, learning and succession planning initiatives as a percentage of straight time payroll expenditures	3.5% ($347,000)	3.5% ($347,000)	Minimum 3% ($410,000) 3.75% ($479,382)	Minimum 3%	Minimum 3%	Minimum 3%

*The employee survey was conducted from 21 May until June 4, 2006. The survey consisted of a total of 64 questions of the form of a 5 point Likert scale, and will be used as the baseline for measuring progress in 2007.

Innovation and Process Management

2007 Corporate Strategies and Objectives:

- Improve corporate agility and responsiveness
- Institutionalize Quality Principles
- Seek and action process and productivity improvements
- Define governance scope and framework

2005-2007 Targets followed by Year End Results

Target
Year End Results

MEASURE	2005	2006	2007	2008	2009	2010
Accreditation for achievement of National Quality Institute Quality standards [1]			Level III accreditation Level II sustained			

(1) Q1-2007, BC delivered NQI Level II re-assessment, pursue Level III and Level IV accreditation in the year. However, Business Unit was unable to proceed as initially set out in the original plan. Targets for 2008 and beyond will reflect this change in approach.

the 2008 balanced scorecard

People

Be recognized as the company that puts people first

To create a performance driven, innovative and inclusive culture we will:

- Ensure we have continual linkage of business strategy to our people strategy.
- Build an innovative talent management system that continuously addresses capability and capacity needs and ensures our people are our top priority.
- Embrace a total rewards philosophy that recognizes performance, retains key talent and provides ISC with a competitive advantage.

MEASURE	TARGET 2008	2009	2010	2011	2012
Implementation of innovative and progressive healthy workplace practices of the National Quality Institute, which focus on: physical environment and occupational health and safety; health and lifestyle practices; and workplace culture and supportive environment	Achievement of Progressive Excellence Program, Healthy Workplace Level III	Sustain Progressive Excellence Program, Healthy Workplace Level III	Achievement of Progressive Excellence Program, Healthy Workplace Level IV	Sustain Progressive Excellence Program, Healthy Workplace Level IV	Sustain Progressive Excellence Program, Healthy Workplace Level IV
Percentage of workforce that: • self-identifies as a person of Aboriginal ancestry	9.0%	11.0%	13.0%	14.0%	15.0%
• self-identifies as a person with a Disability	9.0%	9.0%	9.0%	10.0%	11.0%
• self-identifies as a Visible Minority	4.0%	5.0%	5.0%	6.0%	6.0%
• consists of Women in Management and Executive Positions	50%	50%	50%	50%	50%
Percentage of Employees who have completed bi-annual corporate cultural awareness training (minimum 1 day session)	50%	50% (100% cumulative over two year period)	50%	50% (100% cumulative over two year period)	50%
Total number of employment terms offered to provide workplace exposure and experience to students and recent graduates and to facilitate workforce development	22	27	30	35	35
Rating of ISC as a youth friendly organization, as measured by overall rating of employee engagement, satisfaction and cultural alignment, by employees aged 30 and under, through bi-annual employee survey	TBD after 2007 baseline measurement survey	TBD after 2007 baseline measurement survey	TBD after 2007 baseline measurement survey	TBD after 2007 baseline measurement survey	TBD after 2007 baseline measurement survey
Financial expenditure for employee development, learning and succession planning initiatives as a percentage of straight time payroll expenditures	Minimum 3%	Minimum 3%	Minimum 3%	Minimum 3%	Minimum 3%

Customer

Continually enhance the customer experience

- Improve and sustain customer satisfaction levels.
- Demonstrated quantitative and qualitative improvements in service delivery every year.
- Core products continuously improve and new innovative products are provided to new and existing customers.

MEASURE	TARGET 2008	2009	2010	2011	2012
Percentage of customers that are "satisfied" or "highly satisfied" as determined by customer survey	85%	90%	90%	90%	90%
Average turn-around time for standard Land Registry transactions	2.5 business days	2.5 business days	2.0 business days	2.0 business days	2.0 business days
Accuracy rate of land registration transaction processing	96.5%	96%	98%	98%	98.5%
Land registration packet examination acceptance rate	82%	84%	86%	88%	89%
Percentage of standard customer transactions received at ISC by electronic methods	95%	95%	95%	95%	95%
Percentage of Land Registry transactions submitted by customers using the On-Line Submission tool	36%	41%	66%	66%	66%
Number of innovative products and services launched for customers each year	3	3	3	3	3

the 2008 balanced scorecard

Leadership, Image and Identity

Be leaders in executing, innovating and partnering / Building an image and identity that inspire trust and confidence

- The entire organization will understand and live our Vision, Mission and Values.
- We will be a preferred customer of our suppliers and partners, who will build our capability and be involved and accountable to improve our effectiveness and efficiency.
- Clarity and agility will exist in our planning to ensure strategic direction is clear and organization is aligned and excels at execution.
- We will continue to advance through the NQI Progressive Excellence Program.
- We will achieve excellence in governance.
- We will demonstrate sustained commitment to transparency, stewardship and accountability.
- ISC brand will have broader recognition and positive ratings from the public.

MEASURE	TARGET				
	2008	2009	2010	2011	2012
Overall rating of employee engagement, satisfaction and cultural alignment, as determined by bi-annual employee survey (Baseline measurement will be established by survey to be conducted in Q4, 2007.)	"Mini-survey" target score TBD. Mini-survey score will measure progress toward addressing top two issues. Target will be determined by Q2 2008 following 2007 baseline measurement survey.	TBD - target score will be determined by Q2 2008 following 2007 baseline measurement survey.	"Mini-survey" target score TBD. Mini-survey score will measure progress toward addressing top two issues. Target will be determined by Q2 2010 following 2009 survey.	TBD - target score will be determined by Q2 2008 following 2007 baseline measurement survey.	"Mini-survey" target score TBD. Mini-survey score will measure progress toward addressing top two issues. Target will be determined by Q2 2012 following 2011 survey.
Value of goods and services purchased in Saskatchewan as a percentage of purchases	85%	85%	85%	85%	85%
Implementation of innovative and progressive business excellence practices of the National Quality Institute, which focus on: identifying and satisfying customers' needs; developing and tapping the full potential of people; and improving key processes	Re-achievement of Progressive Excellence Program, Business Excellence Level II	Sustain Progressive Excellence Program, Business Excellence Level II	Achievement of Progressive Excellence Program, Business Excellence Level II	Sustain Progressive Excellence Program, Business Excellence Level II	Achievement of Progressive Excellence Program, Business Excellence Level V
Number of initiatives implemented in support of governance excellence	2	2	2	2	2
Financial expenditure for community initiatives and investment in Saskatchewan as a percentage of budgeted net income	Minimum 1.5%	Minimum 1.5%	Minimum 2%	Minimum 2%	Minimum 2%

Revenue, Growth and Profitability

Growing revenue through diversification while achieving fair and sustainable profit and return to shareholders

- Revenue growth from new products and services to new and existing customers.
- Meet or exceed annually established dividend payment targets.
- Sustainable financial health.

MEASURE	TARGET				
	2008	2009	2010	2011	2012
Annual revenue from new products and services	$1.7M	$5.1M (cumulative from 2008)	$9.7M (cumulative from 2008)	$12.2M (cumulative from 2008)	$13.2M (cumulative from 2008)
Core operating costs, excluding amortization and interest, year over year percentage change	6.2%	2.4%	2.0%	2.0%	1.4%
Debt ratio	34.7%	33.6%	32.5%	31.3%	29.9%
Return on assets	32.0%	27.6%	32.3%	36.1%	41.0%

Management's Responsibility for Financial Statements

The accompanying financial statements included in the annual report of Information Services Corporation of Saskatchewan are the responsibility of corporate management.

Management has prepared financial statements in accordance with generally accepted accounting principles in Canada and necessarily includes some amounts based on informed judgment and management estimates. Financial information presented elsewhere in this annual report is consistent with that in the financial statements.

The financial statements have been audited by the independent firm of Meyers Norris Penny LLP, Chartered Accountants.

Management maintains an appropriate system of internal controls, policies and procedures to ensure the integrity and objectivity of the financial information. These measures provide reasonable assurance that all financial transactions are recorded and executed in compliance with required authority, assets are safeguarded and reliable financial records are maintained.

The Board of Directors met with management and the external auditor to review the Corporation's financial statements and adequacy of internal controls and to discuss the audit results. The Board of Directors has approved these financial statements.

February 4, 2008

Scott Hodson
Acting President and CEO

Lillian Schweitzer
Controller, Finance

MEYERS NORRIS PENNY LLP

Auditors' Report

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the statement of financial position of **Information Services Corporation of Saskatchewan** as at December 31, 2007 and the statements of operations and comprehensive income, retained earnings (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Information Services Corporation of Saskatchewan as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

Chartered Accountants

Regina, Saskatchewan
February 4, 2008

BAKER TILLY INTERNATIONAL

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statement of financial position

as at December 31, 2007

($) Thousands	2007	2006
CURRENT ASSETS		
Cash	$ 10,455	$ 1,535
Accounts receivable (Note 3)	1,671	1,623
Grant receivable from CIC (Note 4)	142	147
Inventories (Note 5)	153	370
Prepaid expenses	284	245
	12,705	3,920
DEFERRED EXPENSES (Note 6)	-	362
GRANT RECEIVABLE FROM CIC (Note 4)	537	648
CAPITAL ASSETS (Note 7)	33,586	37,279
	46,828	42,209
CURRENT LIABILITIES		
Short-term debt (Note 8)	-	13,000
Accounts payable and accrued liabilities	2,314	2,517
Customer deposits	2,439	2,308
Dividends payable	2,000	-
Deferred revenue	156	159
Provision for early retirement plan (Note 4)	113	118
	7,022	18,102
PROVISION FOR EARLY RETIREMENT PLAN (Note 4)	537	648
LONG-TERM DEBT (Note 9)	13,547	12,401
	21,106	31,151
PROVINCE OF SASKATCHEWAN'S EQUITY		
Equity advances (Note 10)	12,000	12,000
Retained earnings (deficit)	13,722	(942)
	25,722	11,058
	$ 46,828	$ 42,209

See accompanying notes to financial statements

APPROVED BY THE BOARD:

DIRECTOR

DIRECTOR

statement of operations and comprehensive income

for the year ended December 31, 2007

($) Thousands	2007	2006
REVENUES		
Land registry	$ 50,252	$ 36,936
Personal property registry	8,284	7,652
Geomatics	1,595	1,726
Plan processing	1,243	984
Other	1,199	457
	62,573	47,755
EXPENSES		
Wages and salaries	16,545	14,661
Amortization (Note 7)	9,218	9,094
Information technology services	6,563	7,210
Facilities, office and equipment	3,170	3,282
Interest	833	1,599
Professional services	1,635	1,773
Business and promotion expenses	904	886
Financial services	627	479
Insurance and assurance	52	42
	39,547	39,026
NET INCOME	23,026	8,729
Other comprehensive income	-	-
COMPREHENSIVE INCOME	$ 23,026	$ 8,729

See accompanying notes to financial statements

statement of retained earnings (deficit)

for the year ended December 31, 2007

($) Thousands	2007	2006
RETAINED EARNINGS (DEFICIT)		
Balance, beginning of year	$ (942)	$ (9,671)
Net Income	23,026	8,729
Transitional adjustment to retained earnings (Note 6)	(362)	-
Dividends	(8,000)	-
Balance, end of year	$ 13,722	$ (942)

See accompanying notes to financial statements

statement of cash flows

year ended December 31, 2007

($) Thousands	2007	2006
OPERATING		
Net income	$ 23,026	$ 8,729
Add: Charges not affecting cash		
Amortization of capital assets (Note 7)	9,218	9,094
Amortization of deferred expenses	-	217
	32,244	18,040
Net change in non-cash working capital items (Note 14)	56	(72)
	32,300	17,968
INVESTING		
Additions to property, plant and equipment and other intangible assets	(5,526)	(5,071)
	(5,526)	(5,071)
FINANCING		
Proceeds from short-term debt	-	14,000
Proceeds from long-term debt	1,146	12,401
Repayment of short-term debt	(13,000)	(10,000)
Repayment of long-term debt	-	(30,000)
Dividends paid	(6,000)	-
	(17,854)	(13,599)
INCREASE (DECREASE) IN CASH	8,920	(702)
CASH, BEGINNING OF YEAR	1,535	2,237
CASH, END OF YEAR	$ 10,455	$ 1,535
Cash interest paid during the year	$ 817	$ 1,637

See accompanying notes to financial statements

notes to the financial statements

December 31, 2007

(thousands)

1. THE CORPORATION

Information Services Corporation of Saskatchewan (the "Corporation") is a Saskatchewan Provincial Crown Corporation operating under the authority of *The Crown Corporations Act, 1993* and *The Land Information Services Facilitation Act*.

The Corporation's mandate includes operating Saskatchewan's land titles system and integrating that system with the Provincial survey, mapping and geographic information systems, and operating the Province's Personal Property Registry (PPR).

Effective May 8, 2007, new fee schedules were approved for *The Land Surveys Act, 2000* (Order in Council #335/2007) and *The Land Titles Act, 2000* (Order in Council #336/2007).

By virtue of *The Crown Corporations Act, 1993*, the Corporation has been designated as a subsidiary of Crown Investments Corporation of Saskatchewan ("CIC"). Accordingly, its financial results are included in the consolidated financial statements of CIC. As a provincial Crown corporation, it is not subject to federal or provincial income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Corporation's financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

a) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimations. Amortization for capital assets is based on estimated useful life.

b) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the average cost basis. In the case of work in process, cost includes direct labour and materials.

c) Capital assets

LAND development costs

Development costs associated with the LAND Project were capitalized. Costs include materials, services, direct labour, interest and overhead costs which were readily identifiable with the project, as well as amortization of property, plant and equipment used in the LAND Project. Interest capitalized on the project amounted to $2,217. Amortization is calculated on the straight-line basis over the system's estimated useful life at the rates disclosed in Note 7. The Corporation evaluates the recoverability of these costs based upon the expected future undiscounted cash flows from the LAND System. Development and enhancements to the LAND system occurring after the completion of the original LAND project are reflected as property, plant and equipment and other intangible assets (Note 7).

Property, plant and equipment and other intangible assets

Property, plant and equipment and other intangible assets are recorded at cost, less accumulated amortization and any provision for impairment. Amortization is calculated using the straight-line method over their estimated useful lives. The costs of maintenance, repairs, renewals or replacements, which do not extend the productive life of an asset, are charged to operations when incurred. The Corporation evaluates the recoverability of these assets based upon the expected future undiscounted cash flows from the related assets.

d) Revenue recognition

Revenues from land registry, personal property registry, geomatics, and plan processing are recognized in the accounts when services are rendered. Amounts received in advance of geomatics services being performed are reflected as deferred revenue and are recorded as revenue when services are rendered. Amounts received from customers in advance are reflected as customer deposits and are recorded as revenue when services are rendered.

e) Assurance and fee mitigation claims

Management's estimate of liability for assurance and fee mitigation is based on claims submitted to the Corporation.

f) Employees' future benefits

A defined contribution pension plan and a defined benefit pension plan are available for all eligible employees. The Corporation's obligation under the defined contribution plan is limited to contributions made for current service. When made, these contributions are charged to income. The obligation under the defined benefit pension plan is the responsibility of the General Revenue Fund (GRF).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Changes in accounting policies

Financial instruments

Effective January 1, 2007, ISC adopted the following new accounting standards relating to financial instruments, as issued by the Canadian Institute of Chartered Accountants: Section 3855, Financial Instruments - Recognition and Measurement; Section 3861, Financial Instruments – Disclosure and Presentation; Section 1530, Comprehensive Income; and Section 3251, Equity. The new requirements were applied prospectively and prior periods have not been restated.

Section 3855, Financial Instruments - Recognition and Measurement, and Section 3861, Financial Instruments - Disclosure and Presentation, provide guidance for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. These standards require financial assets, liabilities and derivatives to initially be recognized at fair value. After initial recognition, financial instruments are measured at fair value, amortized cost or cost, depending on the classification of the financial instrument.

Transaction costs are included in the initial carrying amount of financial instruments except for held-for-trading instruments in which case the transaction costs are expensed as incurred. Financial assets purchased and sold, where the contract requires the asset to be delivered within an established time frame are recognized on a trade-date basis.

In addition to recognizing all stand-alone derivative financial instruments at fair value, CICA Handbook Section 3855 requires embedded derivatives, which are components included in a non-derivative host contract that have features similar to derivatives, to be accounted for separately when their economic characteristics and risks are not closely related to the host instrument and the combined contract is not recorded at fair value. These embedded derivatives are measured at fair value with subsequent changes recorded in the statements of operations. ISC selected January 1, 2003 as the transition date to apply fair value accounting for embedded derivatives. ISC has determined that it does not have any significant embedded derivatives that are required to be accounted for separately.

The following is a summary of ISC's financial instruments, their classification and measurement basis and the financial statement impact of adopting the new standards:

- Cash and cash equivalents are classified as held-for-trading and are measured at fair value with changes in fair value recognized in net income. This classification had no impact on the ISC's financial statements at the time of adoption.
- Accounts receivable and grant receivable are classified as loans and receivables and are measured at amortized cost using the effective interest method. This classification had no significant impact on ISC's financial statements at the time of adoption.
- Accounts payable, other short-term financial liabilities, provision for early retirement plan, and long-term debt are classified as other liabilities and are measured at amortized cost using the effective interest method. This classification had no significant impact on ISC's financial statements at the time of adoption.

Comprehensive income

Section 1530, Comprehensive Income, establishes standards for the reporting and display of comprehensive income. ISC does not have any items that required separate recognition outside of net income, and, as a result, the adoption of this section did not have an impact on ISC's financial statements.

Equity

Section 3251, Equity, establishes standards for the presentation of equity and changes in equity during the reporting period. The requirements in Section 3251 are in addition to Section 1530. The adoption of this section did not have an impact on ISC's financial statements.

Accounting changes

Effective January 1, 2007, ISC adopted the accounting recommendations for accounting changes (Canadian Institute of Chartered Accountants (CICA) Handbook Section 1506) in accordance with the transitional provisions of the section. The new standard allows for voluntary changes in accounting policy only if they result in the financial statements providing reliable and more relevant information and that new disclosures are required in respect of changes in accounting policies, changes in accounting estimates and correction of errors. The adoption of section 1506 has had no material impact on ISC's audited financial statements.

h) Recent accounting pronouncements

Capital disclosures

The new recommendations of the Canadian Institute of Chartered Accountants (CICA) for capital disclosures, CICA Handbook Section 1535, will become effective for ISC's 2008 fiscal year. The new recommendations establish standards for disclosing information about the Corporation's capital (debt and equity) and how it is managed. Specifically, information should be disclosed to enable users of the financial statements to evaluate ISC's objectives, policies and processes for managing capital. ISC does not expect to be materially affected by the new recommendations.

Financial instruments

In December 2006, the Canadian Institute of Chartered Accountants issued Section 3862 Financial Instruments – Disclosures and Section 3863 Financial Instruments – Presentation to replace Section 3861 Financial Instruments – Disclosure and Presentation. These new Sections are effective for interim and annual financial statements with fiscal years beginning on or after October 1, 2007. The new recommendations will apply to ISC's 2008 fiscal year and will result in additional disclosure of financial instruments and the nature, extent and management of risks arising from financial instruments to which the entity is exposed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

CICA Handbook Section 3031 Inventories replaces corresponding Section 3030 and establishes new standards for the measurement and disclosure of inventories. The new Section prescribes that inventories should be measured at the lower of cost and net realizable value and provides guidance on the determination of cost. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. ISC does not expect the adoption of this new standard to have a material impact on its financial statements.

3. ACCOUNTS RECEIVABLE

	2007	2006
Customer accounts receivable	$ 1,556	$ 1,546
Other	115	77
	$ 1,671	$ 1,623

4. GRANTS FROM CIC

Order-in-Council #590/2001 authorized CIC to provide a grant to the Corporation in an amount not exceeding $5,400 to fund the retirement costs associated with Land Titles employees who experienced job loss as a result of the LAND Project. The estimated cost of the retirement option amounting to $4,395 was recorded in 2002.

During the year, $116 (2006 - $118) was paid to employees. At December 31, 2007, $650 (2006 - $766) is recorded in the accounts to provide for the outstanding amounts that management estimates will become payable with respect to eligible employees in future years, with $113 (2006 - $118) expected to become due within the next twelve months.

5. INVENTORIES

	2007	2006
Work in process	$ 1	$ 73
Supplies	152	297
	$ 153	$ 370

6. DEFERRED EXPENSES

As of January 1, 2007, Section 3070, Deferred Charges was withdrawn upon the adoption of Section 3855, Financial Instruments - Recognition and Measurement. The impact was a decrease in the Deferred Expenses balance and a decrease in Opening Retained Earnings of $362.

7. CAPITAL ASSETS

	Period (years)	Cost	Accumulated Amortization	Net Book Value 2007	Net Book Value 2006
Property, plant and equipment					
Server and network	5	$ 6,670	$ 6,658	$ 12	$ 52
Leasehold improvements	10	6,528	2,341	4,187	3,983
Office furniture	10	1,869	824	1,045	923
Office equipment	5	331	154	177	102
Hardware	3	2,014	1,407	607	352
		$ 17,412	$ 11,384	$ 6,028	$ 5,412
LAND development costs					
Data conversion	15	$ 17,262	$ 6,325	$ 10,937	$ 12,088
LAND development	7	30,685	26,259	4,426	8,939
		$ 47,947	$ 32,584	$ 15,363	$ 21,027
Intangible assets					
Software	3	$ 535	$ 409	$ 126	$ 176
Geographic information system	5	6,705	6,663	42	383
System enhancements	5-7	12,924	4,672	8,252	9,493
Other	3-5	1,177	1,152	25	36
Assets under development		3,750	-	3,750	752
		$ 25,091	$ 12,896	$ 12,195	$ 10,840
		$ 90,450	$ 56,864	$ 33,586	$ 37,279

Assets under development at December 31, 2007 include system enhancements relating to the Customer Output Management System (COMS), GeoSask portal and the Mineral Administration and Registry Saskatchewan (MARS) initiative. Other assets remaining in development were the SaskGrid project, as well as enhancements to the LAND system.

7. CAPITAL ASSETS (Continued)

	2007	2006
Amortization		
Property, plant and equipment	$ 1,092	$ 1,103
LAND development costs	5,664	5,599
Other intangible assets	2,462	2,392
	$ 9,218	$ 9,094

8. SHORT-TERM DEBT

	2007	2006
Remainder balance of short-term debt from the GRF was paid in full.	$ -	$ 13,000

Interest is $276 (2006 - $216) on short-term debt.

9. LONG-TERM DEBT

	2007	2006
Long-term debt from the GRF, due November 3, 2011, bearing interest at 4.15% per annum. Interest is paid semi-annually.	$ 9,935	$ 9,935
Long-term debt from the GRF, due December 1, 2011, bearing interest at 4.04% per annum. Interest is paid semi-annually.	2,466	2,466
Long-term debt from the GRF, due February 2, 2012, bearing interest at 4.28% per annum. Interest is paid semi-annually.	1,146	-
	13,547	12,401
Less Current Portion	-	-
	$ 13,547	$ 12,401

Interest is $557 (2006 - $1,383) on long-term debt.

10. EQUITY ADVANCES

As a Saskatchewan Provincial Crown corporation, ISC has received an advance from CIC to form its equity capitalization. The advance reflects an equity investment in ISC by CIC.

11. RISK MANAGEMENT

The Corporation does not use any form of derivative financial instruments to manage its exposure to credit risk, foreign exchange risk or interest rate risk.

a) Credit risk

The Corporation does have significant concentration of credit risk among government sectors (See Note 12). Its customers are predominantly provincial, federal and municipal government ministries and agencies, and its private sector customers are diverse.

b) Interest rate risk

The interest rates on long term and short term debt from the Province of Saskatchewan are fixed. Interest on short-term debt is subject to change every 90 days based on market rates.

c) Fair value

The carrying values of cash, accounts receivable, grant receivable from CIC, short-term debt, accounts payable and accrued liabilities approximate fair value due to their immediate or relatively short term maturity. The fair value of the Corporation's long-term debt is $13,844 at December 31, 2007 (2006 - $12,390). The fair value of long-term debt is based on publicly quoted market values for similar instruments.

12. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, ministries, agencies, boards and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan and non-crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. Prior to implementation of the LAND System, some related parties were not charged for search and registration activities; all related party transactions under the new LAND System are at legislated prices. These transactions and amounts outstanding at year-end, not separately disclosed in the financial statements, are as follows:

Financial position at December 31:

	2007	2006
Accounts receivable	$ 686	$ 634
Grant receivable from CIC	679	795
Accounts payable & accrued liabilities	308	298

Operations for the year:

	2007	2006
Revenues	$ 2,432	$ 2,554
Expenses	3,468	4,440
Costs capitalized-property, plant and equipment	69	27

In addition, the Corporation pays provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. Other amounts and transactions due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

13. COMMITMENTS AND CONTINGENCIES

The Corporation leases all of its office space through operating leases.

Future minimum payments for leasing of office space and for service agreements with EDS and ISM, include the following amounts over the next five years:

	Office Leases	Service Agreements	Total
2008	$ 1,521	$ 6,900	$ 8,421
2009	1,534	956	2,490
2010	1,573	-	1,573
2011	575	-	575
2012	360	-	360
Thereafter	2,605	-	2,605
	$ 8,168	$ 7,856	$ 16,024

The Land Titles Act, 2000 contains an assurance provision that allows customers to recover losses due to the errors or omissions of the Registrar. In the course of its normal operations, the Corporation is subject to a number of claims and legal actions that may be made by customers pursuant to the assurance provision. Management's estimate of liability is based upon claims submitted. No provision is recorded for unreported claims.

14. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

The net change during the year comprised the following:

	2007	2006
Accounts receivable	$ (48)	$ 12
Grant receivable from CIC	116	118
Inventories	217	48
Prepaid expenses	(39)	98
Accounts payable and accrued liabilities	(202)	(146)
Customer deposits	131	(98)
Deferred revenue	(3)	14
Provision for early retirement plan	(116)	(118)
	$ 56	$ (72)

notes to the financial statements

15. PENSION EXPENSE

All employees are participants in defined contribution or defined benefit pension plans. Employees hired after October 1, 1977 make contributions to *The Public Employees Pension Plan* ("PEPP") *Act* and *Regulations*, a defined contribution plan. Funding requirements are established by *The Superannuation (Supplementary Provisions)* and the Corporation matches employee contributions.

Employees hired prior to October 1, 1977 who did not elect to transfer to PEPP by October 1, 1978, make contributions to *The Public Service Superannuation Plan* ("PSSP") *Act* and *Regulations*, a defined benefit plan. The plan provides for pensions at retirement that are based on employees' years of service and their highest five years' earnings. Pension obligations for this plan are the responsibility of the GRF. PEPP accounts are also established for employees covered by PSSP to provide equal access to pension enhancements negotiated for members of PEPP.

The total pension costs of the Corporation for the year were $1,017 (2006 - $891).

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

risk management

Since 2004, ISC has incorporated rigorous enterprise risk assessment and management into its strategic planning process. The corporation, including the Board of Directors, identifies the key strategic risks that may impact or enhance the corporation's ability to achieve its goals and objectives.

Long term and annual business plans then include development of corporate strategies and actions to address ISC's top risks and to ensure the successful achievement of desired outcomes and results. Internal audit planning and activities are also focused on addressing matters related to the key risks facing the corporation.

As a result of a concerted focus on risk, ISC has been able to anticipate and take action to address key strategic issues, including:

- Reducing costs and achieving revenue targets;
- Ensuring the safety, security and satisfaction of employees;
- Attracting and retaining a skilled, diverse and youth-friendly workforce;
- Ensuring the integrity of our registries; and
- Protecting shareholder value.

In 2008, ISC will continue to identify, address and monitor plans to manage or mitigate the risks in our business environment. Risk-based planning will continue to play a key role in the corporate planning process and will begin to be further integrated into our operational mindset.

corporate governance

Authority and Mandate

ISC was established as a Crown corporation on January 1, 2000 under *The Crown Corporations Act, 1993*, with a mandate to deliver integrated land titles and provincial survey, mapping and geographic information systems as well as personal property registry services, to meet the needs of the people of Saskatchewan and elsewhere. This mandate serves to support and facilitate commerce and economic activity in the province.

ISC is responsible to administer the following legislation, which guides the actions and operations of the corporation in the delivery of our major lines of business:

- *The Land Titles Act, 2000*;
- *The Land Surveys Act, 2000*;
- *The Condominium Property Act, 1993*; and
- *The Personal Property Security Act, 1993*.

Both the Minister responsible for ISC and the Minister of Justice share responsibility for the legislation noted above, along with the following related statutes administered by ISC:

- *The Land Surveyors and Professional Surveyors Act*;
- *The Land Information Services Facilitation Act*;
- *The Alberta-Saskatchewan Boundary Act, 1959*;
- *The Manitoba-Saskatchewan Boundary Act, 1937*;
- *The Manitoba-Saskatchewan Boundary Act, 1942*;
- *The Manitoba-Saskatchewan Boundary Act, 1966*;
- *The Manitoba-Saskatchewan Boundary Act, 1978*; and
- *The Saskatchewan Northwest Territories Boundary Act, 1966*.

ISC shares responsibility with Saskatchewan Justice for the public policy underlying the land, survey and personal property registries. The statutory officials appointed by the Lieutenant Governor in Council to oversee the delivery and integrity of these registries and programs are employees of ISC, but are also accountable to the Minister of Justice respecting their custodial and statutory functions.

In late 2007, responsibility for *The Geographic Names Board Act* was moved from the Minister of Crown Corporations to the Minister of Tourism, Parks, Culture and Sport. Transition of support to the Geographic Names Board from ISC to the new Ministry is currently underway.

Board of Directors

Role of the Board

The Board functions as steward of the corporation and has statutory authority and an obligation to oversee the affairs and business of the corporation. While the fundamental accountability of the Board is to act in the best interest of the corporation, the Board has a responsibility to ensure congruence between shareholder expectations, corporate plans and management performance, taking into account the public policy responsibilities of the corporation. In carrying out its responsibilities, the Board brings external and public perspectives to help guide ISC. The Board has a responsibility to ensure that the corporation operates to the highest ethical and moral standards and that procedures are in place to ensure statutory and legal responsibilities are met, an effective corporate compliance program has been established and corporate documents and records are properly prepared, approved and maintained.

The Board's principal duties and responsibilities are set out in the Terms of Reference. The Terms of Reference for the Board and the Board's committees are reviewed annually. In 2007, ISC and the Board completed a comprehensive and holistic review of the Terms of Reference for the Board and its committees as part of a broader review of the Board and committees' governance structures and practices. This review resulted in clear alignment of authority and functional responsibility between the Board and committees and a fuller understanding of committee and Board membership composition criteria, which was translated into revised versions of the Terms of Reference. This comprehensive review also provided a clearer understanding of the line of authority between the Board and ISC management with respect to specific areas of functional responsibility and clarity around procedural matters related to the functioning of the Board and its committees.

Board Composition

In 2007, ISC's Board was comprised of eight members whose varied skills and attributes included law, banking, union leadership and public administration.

ISC's 2007 Board of Directors consisted of:

- Larry Hiles, Regina (Chair);
- Doug Moen, Q.C., Regina (Vice-Chair);
- Dawn Cheecham, Saskatoon;
- Peggy Clark, White Rock, B.C.;
- Gerald Fiske, Regina;
- John Law, Regina;
- Kevin Stangeland, Swift Current; and
- Barb Wright, North Battleford (Labour Representative).

Board members are appointed by the Lieutenant Governor in Council. The Board Chair and Vice-Chair are also designated by the Lieutenant Governor in Council.

Board Committees

To assist the Board in meeting its responsibilities, the Board has created and delegated certain responsibilities to three Committees of the Board. Each Committee has its own Terms of Reference outlining its authority in respect of each of its areas of functional responsibilities.

The Audit and Finance Committee:

The Audit & Finance Committee assists the Board in fulfilling its obligations and oversight responsibility for:

a) corporate and financial performance;
b) ensuring the integrity and transparency of financial and other external reporting by ISC;
c) risk management and internal controls;
d) managing the business relationship with the external auditor; and
e) other matters related to ISC's accounting policies, reporting practices and internal controls.

In 2007, the Audit and Finance Committee members were: John Law (Chair), Peggy Clark (Vice-Chair), Larry Hiles and Kevin Stangeland.

The Governance Committee:

The Governance Committee assists the Board in fulfilling its obligations and oversight responsibility for:

a) developing and recommending exemplary corporate governance practices applicable to the Board;
b) advising the Board on issues relating to ethics and potential conflicts of interest;
c) identifying and recommending candidates for appointment to the Board and Board Committees; and
d) the annual review of the performance of the Board and various Committees of the Board.

In 2007, the Governance Committee members were: Doug Moen (Chair), Gerald Fiske (Vice-Chair), Dawn Cheecham and John Law.

The Human Resources Committee:

The Human Resources Committee assists the Board in fulfilling its obligations and oversight responsibility for people strategies, including the following areas of functional responsibilities:

a) recruitment, appointment, goal setting, performance management & succession planning for CEO;
b) structure of executive responsibilities and executive succession planning;
c) in and out of scope compensation and benefit packages, including performance compensation;
d) key frameworks and policies related to people management such as talent management, succession planning and performance management; and
e) monitoring the corporation's health, safety and workplace environmental practices.

In 2007, the Human Resources Committee members were: Larry Hiles (Chair), Gerald Fiske (Vice-Chair), Peggy Clark and Barb Wright.

Board Compensation

Non-government Board members are paid an annual honorarium and per diem. Payments are in accordance with the Crown Investments Corporation's Remuneration Schedule for meetings and activities undertaken on behalf of the Board, as well as any related expenses incurred such as travel, accommodation or meals. During 2007 there were 32 meetings of the Board and Committees.

The Crown Investments Corporation Remuneration Schedule as it applies to the ISC Board is outlined below:

Chair Retainer	$ 6,500
Member Retainer	$ 5,000
Chair Meeting Fee	$ 600
Committee Chair Meeting Fee	$ 550
Member Meeting Fee	$ 500

Governance Practices and Management Standards

In 2005, the Canadian Securities Administrators (CSA) National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices came into effect. Although these CSA Guidelines are not prescriptive in the Crown sector, ISC, along with other Saskatchewan Crown corporations, has chosen to benchmark our corporate governance practices against the standard established by the CSA Guidelines. The following describes ISC's governance practices against the CSA Corporate Governance Guidelines.

The composition of ISC's Board of Directors changed following the 2007 year end. The measurement of ISC's practices against the CSA Guidelines relating to individual Board members is based on Board membership at December 31, 2007.

CSA National Policy 58-201 Corporate Governance Guidelines	ISC Governance Practices – 2007	Consistent with Guideline?
Composition of the Board		
3.1. The Board should have a majority of independent directors.	In 2007, seven of the eight directors were independent: • Larry Hiles (Chair) • Doug Moen, Q.C. (Vice-Chair) • Dawn Cheesham • Peggy Clark • Gerald Fiske • John Law • Kevin Stangeland One director, Barb Wright, is an ISC in-scope employee and Chair of the ISC/CEU Negotiating Committee. Ms. Wright was nominated by the Union to serve as the Labour Representative on the ISC Board.	Yes
3.2. The Chair of the Board should be an independent director. Where this is not appropriate, an independent director should be appointed to act as "lead director". However, either an independent chair or an independent lead director should act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.	In 2007, Larry Hiles was the Chair of the Board and was an independent director.	Yes
Meetings of Independent Directors		
3.3. The independent directors should regularly attend/hold meetings at which non-independent directors and members of management are not in attendance.	Board and Committee agendas include in-camera segments during which management and the Labour Representative may be excluded and may include meetings with external, internal and Provincial auditors. In-camera minutes are not made available to members of management or the Labour Representative if excluded. The Board adopted a Labour Representative Protocol that governs and facilitates the participation of the Labour Representative and the handling of circumstances where a conflict exists.	Yes
Board Mandate		
3.4. The Board should adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the issuer, including responsibility for: a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer (the CEO) and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization; b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business; c) the identification of the principal risks of the issuer's business, and ensuring the implementation of appropriate systems to manage these risks; d) succession planning, including appointing, training and monitoring senior management; e) adopting a communication policy for the issuer; f) the issuer's internal control and management information systems; and g) developing the issuer's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the issuer.	The Board and its three Committees (Audit & Finance, Human Resources and Governance) operate within Terms of Reference setting out their functions, responsibilities and authority, including responsibilities and composition criteria. The Board's Terms of Reference explicitly state: "The Board of Directors functions as steward of the corporation, and has statutory authority and an obligation to oversee the affairs and business of the corporation." Responsibilities of the Board and its Committees (outlined in their respective Terms of Reference) include: • reviewing the integrity of the CEO and other executive officers and the integrity of all of the corporation's employees; • approving the setting of the corporation's long range strategic direction and annually approving the corporation's business plan, strategic goals; • approving the client mission and development of, and mitigation plans to address, the corporation's principal risks; • approving the succession plan for the CEO and monitoring the succession plan for other executive officers; • approving the corporation's external communications framework and reviewing the corporation's communication strategies; • monitoring the corporation's framework of internal controls and management information systems; and • Board given all the guidelines and practices. The expectations and responsibilities of directors are set out in the Board-approved Governance Manual, Orientation for Directors of ISC Board.	Yes

CSA National Policy 58-201 Corporate Governance Guidelines	ISC Governance Practices – 2007	Consistent with Guideline?
Board Mandate (continued)		
The written mandate for the Board should also set out: (i) measures for receiving feedback from stakeholders (e.g. the Board may wish to establish a process to permit stakeholders to directly contact the independent directors); and (ii) expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.		
Position Descriptions		
3.5. The Board should develop clear position descriptions for the Chair of the Board and the Chair of each Board Committee. In addition, the Board, together with the CEO, should develop a clear position description for the CEO, which includes delineating management's responsibilities. The Board should also develop or approve the corporate goals and objectives that the CEO is responsible for meeting.	The Board has adopted position descriptions for the Chair of the Board and for the Chair of each Board Committee. The Board has approved a position description for the President and CEO that includes responsibilities of the President and CEO. The Human Resources Committee and the Board annually review and approve the goals and objectives of the CEO to ensure alignment with the strategic direction of the corporation. In addition to this, the Terms of Reference for the Board and each Committee guide management's responsibilities in specific areas of functional responsibility.	Yes
Orientation and Continuing Education		
3.6. The Board should ensure that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the Board and its Committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the issuer expects from its directors). All new directors should also understand the nature and operation of the issuer's business.	Orientation is provided to new Board members to addresses the role of the Board and its Committees, director expectations and information about corporate history, strategic direction, operations and challenges. Business writeups and reference materials are provided to supplement the orientation session. No new directors were added to ISC's Board in 2007.	Yes
3.7. The Board should provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the issuer's business remains current.	All Board members are invited to participate in the Board training sessions offered by the Crown Investments Corporation of Saskatchewan (CIC). CIC also manages a directors' reading program, providing the most recent publications and articles among corporate governance for directors.	Yes
Code of Business Conduct and Ethics		
3.8. The Board should adopt a written code of business conduct and ethics (a "code"). The code should be applicable to directors, officers and employees of the issuer. The code should clearly set out standards that are reasonably designed to promote integrity and to deter wrongdoing. In particular, it should address the following issues: (a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest; (b) protection and proper use of corporate assets and opportunities; (c) confidentiality of corporate information; (d) fair dealing with the issuer's security holders, customers, suppliers, competitors and employees; (e) compliance with laws, rules and regulations; and (f) reporting of any illegal or unethical behaviour.	In March 2007, the Board adopted the Code of Conduct & Conflict of Interest policy that is applicable to ISC's directors, officers and employees. The code provides direction on business conduct, use of corporate information and property, the work environment and conflicts of interest. The code also addresses the reporting of any illegal or unethical behaviour. In addition to ISC's code, the Board members must comply with CIC's Directors' Code of Conduct which is applicable to all directors of its subsidiary Crown boards.	Yes
3.9. The Board should be responsible for monitoring compliance with the code. Any waivers from the code that are granted for the benefit of the issuer's directors or executive officers should be granted by the Board or a Board committee only.	The Board's Governance Committee acts as ethics advisor to the Board. In this role the Committee receives and reports to the board on compliance with the code.	Yes
Nomination of Directors		
3.10. The Board should appoint a Nominating Committee composed entirely of independent directors.	The Governance Committee is responsible for identifying and recommending potential new appointments to the Board and Crown Sites. All members of the Public Governance Committee and Nominations Sub-Committee	Yes

CSA National Policy 58-201 Corporate Governance Guidelines	ISC Governance Practices – 2007	Consistent with Guideline?
Nomination of Directors (continued)		
3.11. The Nominating Committee should have a written charter that clearly establishes the Committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees) and manner of reporting to the Board. In addition, the Nominating Committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.	The Governance Committee's Terms of Reference set out the Committee's authority in specific areas of functional responsibility, reporting requirements delegation principles and composition criteria. The Governance Committee may engage necessary advisors subject to prior Board approval.	Yes
3.12. Prior to nominating or appointing individuals as directors, the Board should adopt a process involving the following steps: (a) Consider what competencies and skills the Board, as a whole, should possess. In doing so, the Board should recognize that the particular competencies and skills for one issuer may not be the same as those required for another. (b) Assess what competencies and skills each existing director possesses. It is unlikely that any one director will have all the competencies and skills required by the Board. Instead, the Board should be considered as a group, with each individual making his or her own contribution. Attention should also be paid to the personality and other qualities of each director, as these may ultimately determine the boardroom dynamic. The Board should also consider the appropriate size of the Board, with a view to facilitating effective decision-making. In carrying out each of these functions, the Board should consider the advice and input of the Nominating Committee.	The Governance Committee is responsible for developing and recommending to the Board, competencies and skills criteria which set out the qualifications for Board membership as a whole as well as for specific vacancies. The Governance Committee annually reviews the size, composition and required capabilities of the Board with a view to facilitating effective decision making and provides recommendations to the Board.	Yes
3.13. The Nominating Committee should be responsible for identifying individuals qualified to become new Board members and recommending to the Board the new director nominees for the next annual meetings of shareholders.	The Governance Committee has an ongoing responsibility to identify potential candidates for Board membership. Board members are appointed by the Lieutenant Governor in Council.	Yes
3.14. In making its recommendations, the Nominating Committee should consider: (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (b) the competencies and skills that the Board considers each existing director to possess; and (c) the competencies and skills each new nominee will bring to the boardroom. The Nominating Committee should also consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.	The Governance Committee is responsible for developing and recommending to the Board, competencies and skills criteria which set out the qualifications for Board membership as a whole as well as for specific vacancies. Board members are appointed by the Lieutenant Governor in Council.	Yes
Compensation		
3.15. The Board should appoint a Compensation Committee composed entirely of independent directors.	The Human Resources Committee is responsible for reviewing, in and out of office employee compensation and benefits packages, including performance compensation. One member of the Human Resources Committee is not independent. The Labour Representative is not an officer of the corporation, does not receive material or minutes related to management compensation or collective bargaining issues, and does not participate in Committee or Board discussions or vote on such topics. All other members of the 2007 Human Resources Committee were independent.	Partially

CSA National Policy 58-201 Corporate Governance Guidelines	ISC Governance Practices – 2007	Consistent with Guideline?
Compensation (continued)		
3.16. The Compensation Committee should have a written charter that establishes the Committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees), and the manner of reporting to the Board. In addition, the Compensation Committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.	The Human Resources Committee's Terms of Reference set out the Committee's authority in specific areas of functional responsibility, reporting requirements, delegation principles and composition criteria. The Human Resources Committee may engage necessary advisors subject to prior Board approval.	Yes
3.17. The Compensation Committee should be responsible for: (a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the CEO's compensation level based on this evaluation; (b) making recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and (c) reviewing executive compensation disclosure before the issuer publicly discloses this information.	The Human Resources Committee is responsible for: • developing, in collaboration with the CEO and the Board, the CEO's annual goals and performance objectives and, in collaboration with the Board, annually evaluating the CEO's performance in light of those goals and objectives. • reviewing and making recommendations to the Board respecting the Crown Sector Executive compensation and benefits structure. Executive and employee compensation disclosure occurs in the form of the annual payee list, which is reviewed by the Board by the Audit and Finance Committee and publicly disclosed through tabling with the Crown and Central Agencies Committee of the legislature. In addition, under *The Crown Employment Contracts Act*, the CEO, Chief Executives and senior managers who report directly to the CEO are required to file their employment contract details with the Clerk of the Executive Council.	Yes
Regular Board Assessments		
3.18. The Board, its Committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution. An assessment should consider: (a) in the case of the Board or a Board Committee, its mandate or charter; and (b) in the case of an individual director, the applicable position descriptions, as well as the competencies and skills each individual director is expected to bring to the Board.	Evaluations are conducted with the assistance of the ISC Corporate Secretary. Board, Board Chair and Committee evaluations, plus director peer assessments are targeted to occur on a two-year cycle, as per CC guidelines. The Governance Committee is responsible for conducting such evaluations and reporting results to the Board.	Yes

ISC board of directors
for 2007 and 2008

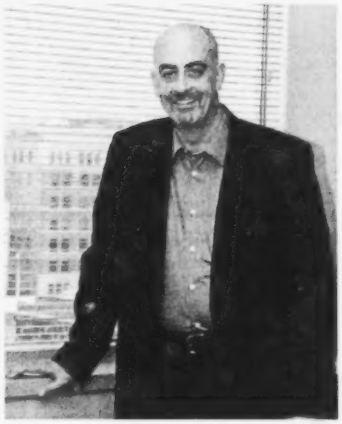
ISC 2007 BOARD OF DIRECTORS

Larry D. Hiles, **Chairperson**
Doug Moen, **Vice Chairperson**
Dawn Cheecham
Peggy Clark
Gerald A. Fiske
John Law
Kevin Stangeland
Barbara J. Wright

ISC 2008 BOARD OF DIRECTORS

Grant Gayton, **Chairperson**
Sue Barber, **Vice Chairperson**
Alfonse Bird
John Boquist
Gerald Fiske
Larry Hiles
Kevin Stangeland
Brad Sylvester

ISC executive



Scott Hodson

Acting President and Chief Executive Officer (CEO)/Chief Customer Officer (CCO)

Scott Hodson was appointed Acting President and CEO of ISC in July 2007.

Scott joined ISC in February 2004 as Director of Customer Services. He was then promoted to Chief Customer Officer in October 2004, where he was responsible for customer service excellence, achievement of growth strategies, and brand and product development.

Scott has over 16 years experience in the private sector where he held a variety of senior sales and marketing roles throughout Canada. He joined ISC as a Saskatchewan repatriate from Alberta where he held positions of increasing responsibility with Kraft Canada, including Regional Sales Director, Western Canada.

Active in his community, he has coached numerous youth sports teams over the years. Scott is based in Saskatoon and is enjoying his return to his home province.

Jeff Stusek

Chief Operating Officer (COO)

Jeff Stusek was appointed COO in August 2006. He is responsible for the operational development and management of the corporation. His knowledge and expertise in customer and people relations help ISC continue to strengthen and build upon its foundation of people.

Prior to his position at ISC, he spent over 13 years in leadership positions at the City of Regina as the Director of Transit and managing Information Technology.

An active member of his community, Jeff is the President of the Regina Thunder Junior Football Club, and former Cabinet Director for the United Way. Jeff holds a Bachelor of Administration and a Master of Business Administration degree from the University of Regina. He is married with two young sons.

ISC senior management

Grant Bastedo
Director, Public Affairs

Ken Budzak
General Manager, Delivery

Kim Coppola
Director, Customer Services

Len Daniels
Director, Human Resources

Pamela Fiske
Director, Business Development

Kathy Hillman-Weir
Director, Corporate Governance and General Counsel

Jerry Laird
General Manager, Product, Strategy and Services

Kevin Saunderson
Director, Technology Solutions

Lillian Schweitzer
Controller, Finance and Corporate Administration

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